THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

China May Resign from the League!

The Only Way Out for Japan

Humanity and Labor in China

By J. D. Monro

The Kellogg Anti-War Pact

By Mien Lowrie

Reported Withdrawal of Yangtsze Patrol

The Japanese and Mr. T. C. Tang

The Unsettled Shantung Situation

By J. B. P.

評論報

SATURDAY, SEPTEMBER 22, 1928

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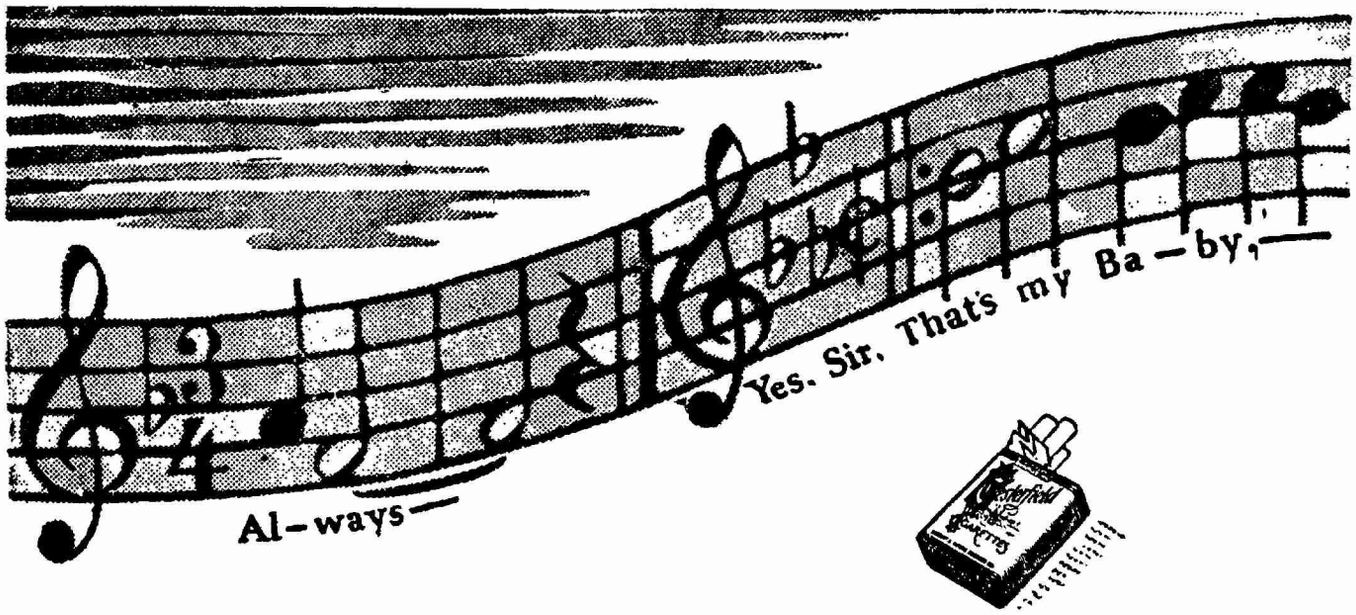

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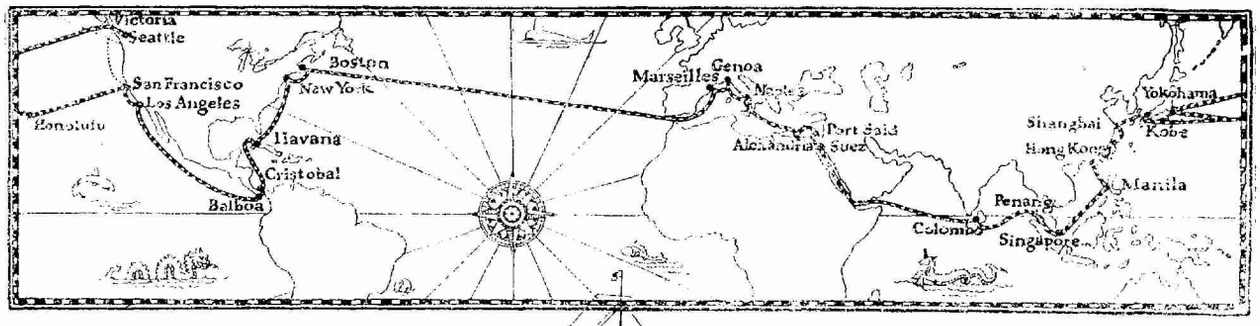

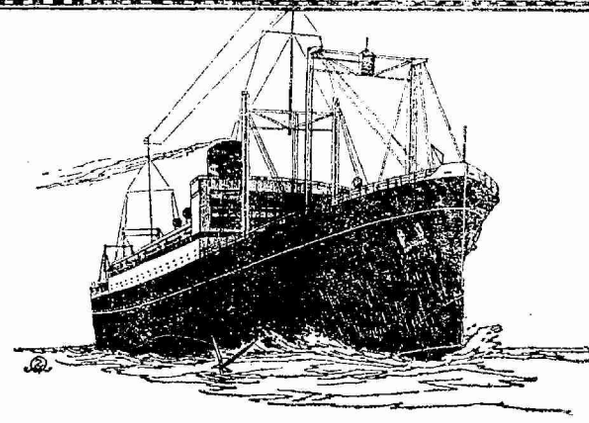

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ONE WEEK TO SAN FRANCISCO AND LOS ANGELES VIA HONOLULU
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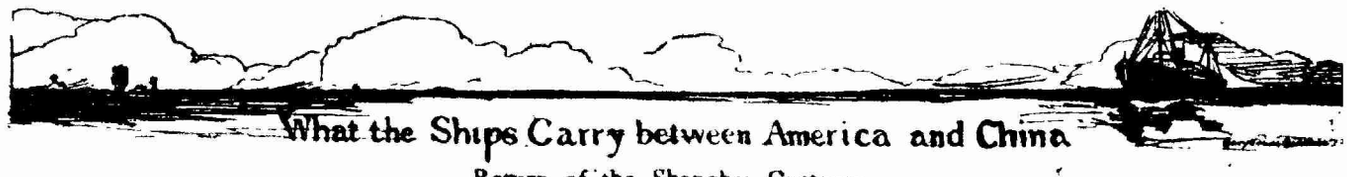

What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls.; Aug Customs Rate Tls. 1.38 equal Gold $1

PRESIDENT PIERCE, August 10.
From U. S. A.

Butter	Pls.	11
Canned Goods:		
Asparagus	,,	191
Fruits, Table and Pie	,,	225
Milk, Evaporated	,,	483
Currants and Raisins	,,	938
Lard	,,	9
Leather, Sole	,,	37
Paper, Common Printing	,,	1,646
Ink, Printing	,,	215
Sugar, White	,,	12
Sugar, Cube	,,	10
Motor-trucks	Pcs.	8
Cigarettes	Mille	300
Lemons, Fresh	Mille	24
Coffee	Catties	2,475
Oil, Lubricating, Mineral	Galls.	32,090
Treasure:		
Gold Bars	Hk. Tls.	285,134
Silver Bullion	,,	82,328
Silver Bars	,,	360,688

GOLDEN STAR, August 15.
From U. S. A.

Asphalt	Pls.	443
Grease, Lubricating, Mineral	,,	178
Gasolene, in bulk	Galls.	27,500
,, ,, Case	,,	50
Oil, Kerosene, in bulk	,,	270,000
,, ,, Case	,,	50
Oil, Lubricating, Mineral	Galls.	72,673
,, Unclassed	,,	16,009
Turpentine, Mineral	Galls	832
Coffee	Catties	1,510

KING JOHN, August 17.
from U. S. A.

Cement, Unclassed	Pls.	1,594
Grease, Lubricating Mineral	,,	413
Oil, Kerosene, in Case	Galls.	348,190
Oil, Lubricating, Mineral	Galls.	38,973
,, Transformer	,,	1,000
,, Unclassed	,,	923

BORDEAUX MARU, Aug. 18.
From U. S. A.

Iron Hoops, Used	Pls.	106
Steel Bar Ends	,,	217
,, Beams, Scrap	,,	2,024
,, Hoops, Old	,,	157
Steel Plate Cuttings	Pls.	139
Steel, Galvanized:		
Defective Wire	,,	32
Wire Rope Old	,,	556
Milk, Evaporated	,,	282
Paper, Chipboard	,,	1,894
Sugar of Milk	,,	33
Tobacco, Leaf	,,	5,252
Timber:		
Softwood, Ordinary, Sawn	Sup.ft.	598,371
Ordinary, Manufactured:		
Merchantable, on net measure	Sup.ft.	263,823

HAVRE MARU, August 20.
To U. S. A.

Tea, Black:		
Congou, other Ports	Pls.	963
Other kinds, other Ports	,,	47
Tea, Green:		
Young Hyson, other Ports	,,	60
Hyson, other Ports	,,	19
Gunpowder, other Ports	,,	290
Antimony, Regulus	Pls.	420
Antimony, Crude	,,	840
,, Oxide	,,	1,260
Egg Albumen, Dried	,,	66
Egg Yolk, Dried	,,	84

PRESIDENT MONROE, August 21.
To U. S. A.

Antimony Crude	Pls.	410
Antimony Regulus	,,	420
Bristles, Assorted	,,	393
Feathers, Duck	,,	91
,, Goose	,,	8
Skins, Goat, Untanned	,,	35
Egg Albumen, Dried	,,	271
Egg, Whole, Frozen	,,	1,728

TENYO MARU, August 23.
To U. S. A.

Silk, Waste, Refuse:		
Shanghai	Bls. 21 Pls.	69.83
Tea, Green:		
Gunpowder, Ningpo	,,	29

PRESIDENT TAFT, Aug. 24
From U. S. A.

Bark, Oak	Pls.	379
Butter	,,	12
Canned Asparagus	,,	64
Canned Fruits, Table	,,	395
Ink, Printing	,,	41
Leather, Calf and Cow	,,	3
,, Patent	,,	4
,, Sole (Bellies)	,,	38
,, ,, other kinds	,,	18
Milk, Evaporated	,,	39
Oranges, Fresh	,,	22
Paper, Common Printing	,,	173
Raisins	,,	362
Sugar of Milk	,,	84
Motor-cars	Pcs.	25
Typewriters	,,	2
Lemons, Fresh	Mille	56
Oil, Lubricating, Mineral	Galls	70,919
Varnish	,,	300
Varnish Printing	Galls.	542
Motor-cars Parts of	Hk. Tls.	921
Treasure:		
Silver Bars	,,	658,539
,, Bullion	,,	161,798

KOREA MARU, August 25.
From U. S. A.

Cigarettes	Mille	2,300

BORDEAUX MARU, Aug. 25
To U. S. A.

Silk, Raw, Filature:		
Wild, other Ports	Bls. 270 Pls.	275.14
Cotton Rags	Pls.	3,866

ARABIA MARU, Sept. 3.
To New York.

Tea, Green:		
Hyson, Hangchow	Pls.	11
Young Hyson, Hangchow	Pls.	25
Young Hyson, Ningpo	Pls.	10
Gunpowder, Ningpo	,,	216
Other kinds, Foochow	,,	7
Tea, Black, other kinds, Kiukiang	,,	63
Tea, Scented, Foochow	,,	3
Antimony, Oxide	,,	420
Oil, Wood	,,	7,779

Latest New York Stock Exchange Quotations

Tel. 18891-18990 — Sept. 19

Market Closed Irregular. — Business done 4,700,000

STOCK	Monday Sept. 17	Tuesday Sept. 18
Allied Chemical & Dye (Common)	199¼	196⅝
American Can (Common)	110¼	107⅝
American Radiator	159½	157¼
American Smelting	250⅞	253⅜
American Telephone & Tel. (Common)	182¾	181⅞
American Tobacco "B"	168	167½
Armour & Co. "A"	21¾	21
Armour & Co. (Ill.) 7% Pfd.	None	88½
Anaconda Copper	80⅜	88½
Baltimore & Ohio	115½	115⅛
Bancitaly Corp.	128¼	126
Bank of Montreal	365	365
Bethlehem Steel (Common)	67⅛	65¾
Bethlehem Steel, 7% Pfd.	120	119½
Canadian Marconi	7⅛	7⅛
Canadian Pacific Railway	216¼	213¾
Canada Dry Ginger Ale	82⅞	81
Cerro de Pasco	100⅛	100
Chile Copper	54½	53⅝
Chrysler	108	106¼
Consolidated Gas of New York	80	79⅜
Coty Incorporated	225	222
Du Pont de Nemours E. I. (Common)	394½	393
Eastman Kodak	180½	179
Electric Investors	71¾	72
Fox Film "A"	106½	104
General Cigar	63½	63⅞
General Electric Co.	169½	167½
General Motors	208½	207¾
Hudson Motor Car	82½	81¾
Industrial Rayon	122¼	121
Interboro Rapid Transi	50¾	50⅜
International Cement (Common)	71⅞	73
International Match, Pfd.	110½	108⅝
International Nickel (Common)	127¼	124¾
International Products Corp. (Common)	13½	13½
International Products Corp., Pfd.	79	None
International Telephone & Teleg.	177⅝	176
Kelvinator	9¾	12¼
Kennecott Copper	100⅝	100⅝
Liggett & Myers, Class "B"	92	92
Loews Inc.	62	62
Lorillard Company (Common)	30⅝	30
Madison Square Garden	23	22¾
Missouri Pacific By.	74	73⅛
New York Air Brake Co.	45½	45
New York Central (Common)	178⅝	177
North German Lloyd 6's 1947	93⅝	94
Pacific Gas & Electric Co.	51½	53
Packard Motor Car Co. (Common)	86⅞	86
Pennsylvania Railroad	64⅝	64⅜
Radio Corporation	212	207¼
Remington Rand (Common)	26¼	27⅝
Reynolds Tobacco, "B"	143½	141¼
Sears, Roebuck & Co.	152⅛	148½
Schulte Retail Stores	58⅞	58¾
Standard Gas & Electric (Common)	74¾	72¾
Standard Oil of California	60	59
Standard Oil of Indiana	77⅛	76¾
Standard Oil of New Jersey	45⅞	45⅝
Standard Oil of New York	36½	36
Texas Corporation (Common)	71⅝	71
Texas Gulf Sulphur	73	72⅝
Timken Roller Bearing	140	138½
Union Carbide	177⅝	178
Union Pacific Railroad (Common)	197¼	196½
United States Leather	61	62
United States Realty & Imp Co.	84	83⅛
United States Rubber (Common)	40⅝	40
United States Rubber, 8% Pfd.	71⅝	70
United States Steel	159	157¾
Wright Aeronautical	187	182¾

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with its picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai at Shanghai North Station.

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Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M.
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peking-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

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The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road, Shanghai

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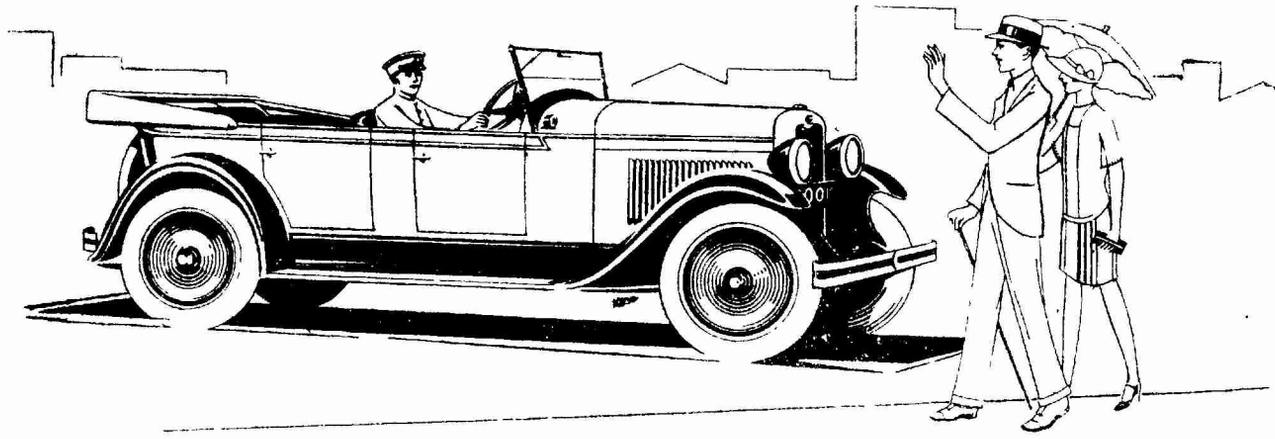

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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CHINA MAY RESIGN FROM LEAGUE OF NATIONS

CHINA may resign from the League of Nations! This is the conclusion which one reaches after reading reports which have appeared in the Chinese newspapers recently following the League's recent rejection of China's application for a non-permanent seat on the Council. Dr. C. T. Wang, Foreign Minister, in an interview with foreign newspaper correspondents this week declared that China was deeply disappointed at the action of the League especially in view of the recent unification of China and the coming into effect of nationalism throughout the country. Dr. Wang said, "For the past ten years China has been asking for a permanent seat on the Council, our request being based upon the fact that European influence in the League is out of all proportion to the population and territorial importance of that section of the world. Asia, with a population and territory far greater than Europe has only one seat on the Council and that is held by Japan. Europe has four seats on the Council held by Great Britain, France, Italy and Germany, the last country having been recently admitted. China has repeatedly recommended that Asia should have two permanent seats, one of which should be held by China, but now China has been denied even one of the non-permanent seats." Dr. Wang refused to commit himself on the question whether China might resign her membership in the League but admitted that recommendations had been received from overseas Chinese to the effect that China should resign, and that the matter was under consideration of the Government. It is also reported that the Chinese General Chamber of Commerce and other public organizations are studying the question and may recommend that China withdraw. One prominent Chinese official declared that China should immediately withdraw because the League had completely ignored the memorandum sent to Geneva by Mr. Tan Yen-kai, Chairman of the Government Council, in connection with the Tsinan incident and now on top of that Geneva had refused China a non-permanent seat on the Council which would make it difficult for China to bring up the Tsinan incident in the future. This official also referred to the fact that China's membership in the League costs $200,000 (silver) a year and aside from a certain amount of "face" or prestige, China derived little other benefits from membership.

OF INTEREST in connection with China's complication with the League of Nations was an address delivered in Shanghai on Tuesday, September 18 by Sir Frederick Whyte before the

members of the Pan-Pacific Association. Sir Frederick Whyte, who is a well-known British publicist and who headed the British delegation at the meeting of the Pan-Pacific Institute in Honolulu last year, declared in his address this week that the East lacks the greater part of the instruments possessed by the West in the settlement of international disputes. While the Four-Power Pact signed at the Washington Conference had displaced the Anglo-Japanese Alliance, he believed that a further step should be taken to institute meetings and conferences for the purpose of settling disputes, otherwise the world may find itself face to face with a crisis similar to that which precipitated the recent Great War. He declared that a renewal of the Anglo-Japanese Alliance would be a step backward. He expressed the belief that there is a balance of forces between the Occident and the Orient and what affected the Occident also affected the Orient. "It is not possible to isolate the Pacific," he declared, "for while there is a sense in which regional arrangements can be made between nations of the Pacific and other parts of the world, but when you come to major interests you will find China, Japan, the three Powers of the British Commonwealth, the United States and also the French Republic and the Netherlands are vitally concerned in what may be peace or war in the Pacific, so you cannot treat the Pacific as an isolated subject." He also added in this connection that Russia is a nation with important interests in the Pacific which cannot be ignored since the world had learned to its sorrow that Russia is one of the major Pacific problems. In conclusion Sir Frederick Whyte expressed regret that the East did not possess instruments for peace making similar to those which had been devised in the West for cooperation through the instrumentality of the League of Nations. It is urgent that proper machinery be created in the East along this line, he declared. Mr. Quo Tai-chi, former Vice-Minister of Foreign Affairs and Commissioner of Foreign Affairs at Shanghai, who presided at the meeting of the Pan-Pacific Association, stated that only international contact and frequent conference could offset the dangers of another world war and find a solution for disputes and rivalries now troubling the Pacific. He declared, "The question before the world is whether the peoples of the Pacific can be allowed to work out their own salvation, or whether they will be a prey to predatory activities of Western nations. Westward the course of empire flows, goes the old saying, but we must also remember that westward the course of democracy is also flowing to awaken the slumbering East."

OF STILL further interest in connection with the question of China's failure to obtain a non-permanent seat on the League Council was the action of the Nationalist Government this week in deciding to sign the Kellogg Pact for the outlawry of war. Dr. C. T. Wang, Foreign Minister, in his note to the American Government called attention to the fact that Sun Yat-sen's principles of universal justice and brotherhood of man are being applied in the building up of a New China, "hence the Chinese people are prepared to join with America and the other signatory Powers with more than usual enthusiasm in endeavoring to attain the aims of peace. In this connection, however, Dr. Wang called the attention of the American Government to the fact that conditions now prevailing in the Far East constitute a source of danger to world peace. He said,

"We are deeply sensible, however, that in order to make war really impossible, it is necessary to eliminate all causes which are likely to give rise to any international dispute, and to rigidly uphold the principle of equality and mutual respect for territorial sovereignty among all nations. My Government, therefore, firmly believe that all the signatory Powers will abide by the spirit of the present treaty and remove, at the earliest opportunity, all of China's unequal treaties and encroachments upon her sovereignty, as for instance, the stationing of large numbers of alien troops on her soil. For it is clear that a free and independent China is one of the most vital factors whereby permanent world peace may be promoted and strengthened.

PROGRESS TOWARD FINANCIAL UNIFICATION

THAT PROGRESS is being made in the unification of Nationalist finance is indicated in the declaration of Mr. T. V. Soong, Minister of Finance, which appears elsewhere in this issue of *The Review*. According to Mr. Soong the Central Ministry of Finance now has control of national revenues in five provinces, Kiangsu, Chekiang, Anhwei, Fukien and Kiangsi. Four other provinces, Kwangtung and Kwangsi and Hunan and Hupeh are shortly to be added. These, with the exception of Shantung and Chihli constitute the most important revenue-producing areas of the country, excepting of course the Three Eastern Provinces, Shengking, Kirin and Holungkiang which will have to await the completion of the plans for political unification. In addition to the foregoing, Mr. Soong states that two other financial reforms are in process of going into effect, one being the organization of a budget commission and the other a finance re-organization commission. The first will have the important job of framing a national government budget, a difficult proposition when one considers that the American Government was not able to adopt and enforce a budget until the Harding Administration following the World War. The financial reorganization commission has been formed for the purpose of hastening financial reform and unification. The country is to be divided into seven or eight financial districts and the commission will have the job of unscrambling national and provincial revenues and installing modern efficient governmental accounting and disbursing systems.

MR. SOONG'S REPORT, which indicates that actual progress is being made, apparently was put out for the purpose of answering in practical fashion certain criticism which has been leveled at the head of the Nationalist Minister of Finance recently. The job of Minister of Finance in China under present conditions is no easy one. Likewise it is difficult for a Minister of Finance to be popular in certain circles because of the fact that certain classes of Chinese merchants and bankers have never known what it is to pay taxes as they are paid in other lands. For years the Peiping Ministry of Finance followed the line of least resistance by existing on the Customs surplus and short-term loans from Chinese and foreign banks at exorbitant rates of interest. There has been no such thing as a budget or financial system. When the militarists needed money they would appoint someone Minister of Finance and nobody worried how he got the money so long as he got it and didn't levy any direct taxes. Yuan Shih-kai issued a large foreign loan; the Anfu Clique borrowed $350,000,000 from the Japanese and

bartered national resources as collateral. The Chihli Party borrowed money abroad and floated domestic loans on the security of the Customs surplus, the methods used in the flotation of the bonds not reflecting any particular credit upon certain Chinese banks and likewise upon certain highly-placed foreigners allegedly on the inside of the deals. Marshal Chang Tso-ling got his money out of Manchuria by outrageous currency inflation methods and by selling railway and other concessions to the Japanese. Gen. Chang Chung-chang, the bandit-tupan of Shantung got his money by putting wealthy merchants and bankers in jail and keeping them there until they came through with what he wanted. Militarists in control of the Yangtsze Provinces used various methods of raising money by selling opium monopolies and by "farming-out" taxes in mediaeval fashion. The Nationalists are now trying to eliminate these inefficient and immoral revenue-producing methods by inaugurating a modern financial program. Certain Chinese merchants and bankers who reside within the foreign concessions and who have never paid any taxes in their whole lives are now becoming acquainted with the subject and they are reacting in a very human manner—just like wealthy individuals in America, England, Germany and everywhere else. Nobody likes to pay taxes and everybody is happy when the burden in passed on to somebody else. The backbone of any government is finance and China will never have a central government until it is able to modernize the financial system. But as stated in the foregoing, the process is a painful one and certain reactionary interests would like to go back to the old Peiping system which was largely responsible for the evils which the present government is trying to eradicate!

JAPAN WOULD EXCLUDE CHINA QUESTIONS IN U. S. TREATY

THE CHINESE ought to be interested in a report from Tokyo which appeared in the *Chicago Tribune* on August 11 which stated that the Japanese Government is attempting to exclude all questions pertaining to Chinese relations from a new Japanese-American arbitration treaty which is now being negotiated by the Japanese and American Governments. The report in the *Tribune* stated that the Japanese general staff section of the privy council is insisting on Japan's right to exclude all general Asiatic relations, including questions pertaining to Australia, from the scope of the new Japanese-American arbitration treaty. The Japanese have put forth the argument that Japan is asking for no more than America includes in her interpretation of the Monroe Doctrine; hence if America should agree to such a proposal it would be tantamount to granting Japan a sort of Monroe Doctrine for Asia and Australia as far as the United States is concerned. The inspiration for this demand on the part of the Japanese foreign office is supposed to have originated with the military element in Japan which opposes American "interference" in such questions as the present Shantung and Manchurian situations. An American official in Japan, presumably the American Ambassador, was quoted as stating that America was unlikely to consider such a Japanese proposal owing to the fact that it would conflict with America's whole policy regarding China and practically nullifying the "open door" and "equality of opportunity." Although America is unlikely to agree to any such proposal on the part of Japan, it would seem that China should also be interested in this question and should again reiterate a declaration frequently made in the past that China refuses to be bound by any commitments made by foreign governments regarding which she is not consulted. The Australians should also be interested in this apparent attempt on the part of the Japanese military elements to include Australia as a country within the Japanese "sphere of influence."

THE JAPANESE AND MR. T. C. TANG!

IN LAST week's issue of *The Review* there was an account of the action of the Japanese military at Tsingtao in deporting Mr. T. C. Tang, the assistant director of the Tsingtao Harbor and Wharf Department. The account in *The Review* gave the details of this arbitrary and unwarranted Japanese military action in respect to a Chinese citizen upon Chinese soil. Now for the second chapter: *The Review* is delivered to local subscribers in Shanghai on Saturday mornings. Someone connected with the Japanese intelligence service must have read the story about Mr. Tang's complications with the Japanese military at Tsingtao very early on last Saturday morning because shortly after noon of that day, a Japanese called at Mr. Tang's residence in Shanghai and requested him to visit the local Japanese Consulate-General, also explaining at the same time that the Japanese military authorities at Tsingtao had "made a mistake" and that the Japanese desired Mr. Tang to return to Tsingtao at once and resume his old position. According to report, Mr. Tang refused to call on the Japanese authorities, he having no desire to return to his home and duties in that city after having had his office and house searched and himself and family given forty-eight hours to leave the city. We have no idea what Mr. Tang intends to do, further than his obvious intentions to report the case to the Nationalist Government. But the Japanese admission that a "mistake had been made" and their desire to induce him to return to Tsingtao is most interesting. The facts in the case are that the Japanese military authorities in Tsingtao made no mistake. They suspected Mr. Tang of being nationalistically inclined and they didn't want him to remain in Tsingtao any longer. Therefore they used the arbitrary power which they possess as interventionists with some 15,000 troops on Chinese soil and deported Mr. Tang a Chinese citizen and official, all of this taking place in the city of Tsingtao, province of Shantung, Republic of China. Where the "mistake" came in was in connection with the publicity which the case aroused both in China and abroad. The Japanese military in Tsingtao did not calculate upon the news of their arbitrary action becoming known. But it did become known and now the Japanese are "very sorry!."

REPORTED WITHDRAWAL OF YANGTSZE GUNBOATS

THE JAPANESE *Nippon Dempo* news service circulated a dispatch from Peiping on September 8 stating that Sir Miles Lampson, British Minister in Peiping, has been authorized by the British Government to withdraw British naval craft from the Yangtsze River, the action being taken on the grounds of economy, the report stating that the annual expenditure of $30,000,000 (silver) by the British Government for this purpose is out of proportion to British trade returns in this area. The Japanese report also stated that another purpose in the British action was based on

the desire of the British Government to "relax relations" with the Nationalist Government. According to the report, the Japanese were seriously concerned owing to the indirect effect of the British withdrawal upon Japan's naval position on the Yangtsze. The Japanese report also stated that the withdrawal of British naval craft from the Yangtsze might be followed by an evacuation of the British defence force from Shanghai. Although this report received considerable prominence in the foreign newspapers in Japan more than two weeks ago none of the British newspapers in Shanghai have printed anything about it, which is possibly due to the lack of official confirmation from London. Likewise there have been no reports pertaining to the American naval forces on the Yangtsze, although there have been reports in circulation in Shanghai recently that a further cutting-down of American Marine forces here is likely in the not-distant future. The British now have eight gunboats scattered along the Yangtsze between Chinkiang and Chungking while the Japanese have fourteen warships in the same area. The number of American gunboats now on the Yangtsze is not known but is thought to be approximately the same as the British. In addition to the British, American and Japanese warcraft there are two French and two Italian gunboats. The Japanese recently announced the early withdrawal of four of their gunboats from the Yangtsze.

HAVE NANKING AND MUKDEN REACHED A COMPROMISE?

ALTHOUGH there have been no official announcements from either side, reports in the Japanese newspapers indicate that Nanking and Mukden have practically reached an understanding on the subject of unification, the *Osaka Mainichi* stating that the compromise is likely to be along the following lines.

1.—The provisional Preservation Committee of the Three Eastern Provinces to be dissolved and a North-Eastern Branch of the Political Commission to be created instead. The new organisation to be composed exclusively of Mukdenites.

2.—All powers relating to the military and home administration to remain in the hands of the Mukdenites, while all power concerning diplomacy to be taken over by the Nationalist Government.

3.—The Three Eastern Provinces to vow allegiance to the Three Kuomintang Principles and to fly the Nationalist flag.

4.—The above conditions to be carried out at the end of the present year.

The report further stated that Mr. Hsing Shih-lien, the representative of Gen. Chang Hsueh-liang, who has been in Nanking for some time had reported that the Mukden faction had agreed to the Nationalist proposals for the abolition of the political entity known as the Three Eastern Provinces and that the actual unfurling of the Nationalist flag only waited a propitious occasion. The suggestion was that the Nationalist flag might replace the old five-barred flag immediately following the defeat of Gen. Chang Chung-chang at Chinwangtao. The Osaka newspaper stated that the Japanese authorities have practically reached the conclusion that it is impossible to further block unification and in view of the fact that Japan's ultimatum to Gen. Chang Hsueh-liang warning him against unification had produced an unfavorable impression abroad, Japan had about decided not to offer further objections. The paper further stated however, that there is considerable uneasiness in Tokyo regarding the contemplated transferrence of diplomatic power from Mukden to Nanking owing to the inability of Japan to dominate the situation at the Nationalist capital as she had heretofore done at Mukden. The result is that the Japanese Government is now "watching the situation", a familiar phrase in Tokyo cables pertaining to Japanese policy toward China at the present.

The Only Way Out For Japan

THE JAPANESE GOVERNMENT is in a serious predicament in its relations with China due chiefly to the fact that the present rulers of Japan have guessed incorrectly in respect to the outcome of the Chinese revolution. The reason for this is difficult to understand because the Japanese should be better informed regarding conditions in China than any other nation. Japan has more consulates in China and more consular officials in China than any other foreign nation. Japan has more so-called intelligence officers in China than any other foreign nation. Japan for many years has maintained a school—Tung-wen College—in Shanghai where hundreds of Japanese youths have been trained in the Chinese language, geography, history, psychology, economics, the purpose being to provide personnel for the Japanese governmental and private enterprises in China. The Japanese Government has expended hundreds of millions of yen in the subsidizing and promotion of Japanese business enterprises in China. Hundreds of prominent Japanese business and professional men are constantly touring China for the purpose of familiarizing themselves with conditions in this country. The Japanese military and naval establishments have studied and surveyed China until they probably have more detailed information on file about the physical characteristics of China from a military strategic standpoint than that possessed by any other country in the world, including the Chinese people themselves. The Japanese have built up a propaganda machine consisting of subsidized newspapers and news services which extends to all parts of the Chinese nation and is all-embracing in its ramifications, and in addition to the Japanese nationals employed in this work, the Japanese have also employed a considerable number of foreign propagandists to assist them in their work both in China and abroad.

But despite this vast outlay of money and effort the Japanese have failed in China—failed abjectly—because one finds the Chinese people today from one end of the country to the other hostile to the Japanese. And worse, the Japanese have failed equally abjectly in their propaganda effort to convince the rest of the world regarding the virtues of their present China policy. Public opinion in America, England, Germany, Russia, everywhere has turned against Japanese policy in China, a matter referred to in an article elsewhere in this issue of *The Review* pertaining to the situation in Manchuria, the article being reprinted from the *Manchester Guardian*. Japan thus finds herself isolated in respect to China policy which would not be so serious were it not for the fact that the situation is having a disastrous effect upon Japanese trade with China. Mr. Yada, the Japanese Consul-General at Shanghai, who obviously does not approve of the China policy of the present Tanaka Government, stated in an interview with Japanese newspapermen while on his recent trip to Tokyo that Japanese warehouses in Shanghai are filled with Japanese

goods which cannot be sold and that Japanese merchants here are being forced to build new warehouses to hold their unsold merchandise. Reports from South China tell a similar story and the situation affecting Japanese trade in the South Seas is even worse, because throughout the Straits Settlements, Siam, Dutch East Indies and the Philippines, the Chinese dominate the distribution of foreign merchandise and they have almost unanimously refused to handle the products of Japan. Japan is thus faced with a serious economic situation because even before the beginning of the present Chinese boycott, Japan was purchasing more than she was selling. The effect of the situation is noticeable in the value of the Yen which continues to fall in spite of artificial governmental regulations to maintain the parity of the currency.

The reasons for this serious predicament of Japan in respect to her relations with China are not difficult to find. Japan completely mis-judged the magnitude of the revolutionary situation in China, the Japanese governing clique apparently thinking it was only another Chinese civil war. Instead of adapting her policy to the new Chinese situation, the Japanese went to the other extreme by putting in office a reactionary military man who has learned nothing in the past quarter century and who apparently still thinks conditions in China today are the same as prevailed prior to the 1911 revolution or at the time of the presentation of the notorious Twenty-One Demands in 1915. Japan never thought the present revolution would succeed and now that the military phases of the revolution have succeeded, the Japanese are still betting on a new split and renewed fighting. They completely misjudged the situation in Manchuria, otherwise it is difficult to understand how General-Baron Tanaka could have made the monumental blunder of warning the 30,000,000 Chinese in the Three Eastern Provinces not to unite with the Nationalists. Only a few days ago Tanaka stated he had hopes of a change in the Nationalist Government which would bring some "pro-Japanese" officials into power with whom he could negotiate. Then in addition to this, Japanese officially-inspired newspapers keep talking about the necessity of Japan adopting an "independent" policy in China, that is independent from the standpoint of alignment with America and Great Britain. In other words, while America and Britain are trying to adjust the treaty situation, the Japanese are "standing-pat" and adopting a "watchful waiting" policy.

How Japan is to readjust her relations with China is difficult to see at the present time because Japanese policy toward China is inextricably tangled up with the unsettled political situation in Japan. The present Tanaka Governing Clique which controls Japan is made up of reactionary elements which are just as much opposed to democracy in Japan as they are opposed to democracy in China, the Philippines or Asiatic Russia. Therefore it is difficult to see how there can be any fundamental change in Japanese policy toward China until there is a fundamental change in methods of government in Japan. A strong Japanese policy toward China is the natural accompaniment of a "strong" governmental policy in Japan. However, Japan did adjust her policy toward China following the Washington Conference due to external influences and there is a possibility of something similar happening again. What we have in mind is the attitude of America and Britain, both of which countries have recently indicated in unmistakable manner their hostility toward Japan's present activities on the continent of Asia. Practically the entire world, aside from Japan, now realizes that China is making rapid strides towards a new national status in the family of nations and efforts are being made everywhere to adjust diplomacy to meet the situation and maintain friendship with the Chinese people who are likely to shortly become vast consumers of foreign merchandise. Everybody wants to participate in this revival of trade and everybody realizes that it is no longer possible to trade in China with a loaded rifle or pistol in one hand or with a gunboat in the background. There are of course reactionary elements in all countries which still look upon China as an inferior nation incapable of self-government, but it is only in Japan that these reactionary elements dominate the government and dictate foreign policy. But despite everything that the Japanese reactionaries have been able to do both in China and in America and Europe, China has awakened to the menace of Japan and Nationalist China has gotten out of hand. Japan is thus faced with the necessity of a *revolutionary* change in policy if she would hope to again attain a position of leadership in China. Since it is no longer possible for Japan to overawe China by military force, then the alternative method must be adopted. In other words, Japan must go back to the so-called "friendship" policy which was adopted following the Washington Conference. This means a complete revision of policy on the question of the treaties and the recognition by Japan that China is a sovereign independent nation capable of managing her own affairs, and is no longer to be trifled with through methods of underhanded propaganda and intrigue. This is the only way out for Japan, but as stated in the foregoing, it is difficult to see how Japan can readjust herself to the new situation without a fundamental change in present governmental methods in Japan!

The Chinese Fight for Equality

The local Kuomintang party has issued a statement on the subect of conditions in the Shanghai Foreign Concession, a translation of part of which reads as follows:

"Although the International Settlement has been ceded to the foreigners by no means do our sovereign rights go with the cession. It remains part of our territory. It is only fair that we should be treated equal with our foreign residents here in the eyes of law. But much to our regret the contrary is often the case; the Municipal authorities are doing their best to protect the foreigners and giving little, if any care to us Chinese.

"The recent Publicity Bureau case may serve as a good illustration. The Chinese Government is by right entitled to have a peaceful office installeed in her territory, but the Municipal police conducted a raid without obtaining a warrant from the Provisional Court. The law has been so badly violated by the S. M. C. that there is is scarcely any parallel in the history of law breach. It should be pointed out that the Shanghai Municipal Council is itself an administrative institution: what would be the explanation when the Municipal authorities pay no notice to law?

"They raid the Chinese Government office at will, but they show no attempt to deal with the Cummunist den waich is in a foreign home. If we remain silent it would not only be a disgrace to China, but to the civilized world at large. It is, therefore, our hope that the Chinese in the Settlement will stand forth to fight for a legal equality with the foreign residents."

Waterworks Head At Hankow Arrested on Serious Charges

The *Hankow Herald* states that a sensation has been created among Chinese business circles in that city by the sudden arrest of Y. C. Kung, Managing Director of the Hankow Waterworks and Electric Light Co. and Fang Lih-chieh and Chu Yuan-hsien, members of the Board of Directors of the Company, on September 13. The arrest is said to have been ordered by the Provincial Government and carried out by the Hankow Public Safety Bureau on the charge of corruption and misappropriation of the Company's funds.

Financial Reform Will Destroy Corrupt Vested Interests

"There is noticeable among many circles a growing sense of disappointment over the inactivity of the Government since the completion of the Northern Expedition," was the declaration of T. V. Soong, Finance Minister in an interview circulated by the *Kuo Min* news agency on Sept. 13. "So much has to be done to set things right, and on the face of it so much could easily be accomplished that it seems criminal to miss what is generally conceded to be the best opportunity China has had for the last thirty years to put her house in order.

"Nevertheless if we could detach ourselves from the immediate present and take a bird's-eye view of the situation, the feeling of despondency, arising through great expectations still unrealized, need not necessarily prevail. There is no question but that the country has made vast strides towards unity and order during the last two years; the mere fact that people are expecting more from this Government is in itself an indication of progress. The present lull may only mean the short spell of quiescense when internal readjustments are made before the next period of activity in the new and more difficult direction of reconstruction.

"I think the lull or deadlock is already being broken. By the next week in place of a Commission form of government, the Administrative Council, which corresponds to a responsible cabinet, will be installed in accordance with the decision of the Fifth Plenary Session. One of the faults frequently appearing in the Commission form of government, power without responsibility, stands a good chance of being corrected."

Turning to his own sphere, Minister Soong said that notable advances have been quietly made during the last few weeks. As outlined in his report to the Fifth Plenary Session, the Ministry of Finance actually controlled only the national revenue of Kiangsu, Chekiang and Anhwei. Fukien has now come into line and the nominee of the Ministry is having a free hand in that province so far as national taxes are concerned. Arrangements have also been made with Kiangsi province, which is the seat of the famed porcelain industry, whereby, by the end of the month, effective control of the national revenue will revert to the Ministry. Thus by October the Ministry will have absolute control with regard to national revenue over at least five provinces.

Another significant advance is that Kwangtung and Kwangsi have agreed upon a programme of complete unification in stages; starting with the immediate handing over of the Customs Surtaxes, and the partial rendition of the salt tax. Hunan and Hupeh will almost surely follow the lead of Canton in that respect.

Two Important Commissions

Two commissions have recently been mandated by the Government, namely, the Budget Commission and the Finance Reorganization Commission.

To the first, consisting of the important members of the Government and the six outstanding military leaders, is entrusted the task of framing a budget. As through the working of this Commission the responsible leaders throughout the country will be enabled to participate in national financing and to take a part in the allocation of funds, the psychological obstacles in the direction of financial unification will be overcome in a great measure.

The other organization, the Finance Reorganization Commission, is intended to be the instrument to hasten financial reforms and unification. Under this scheme the country is divided into seven or eight financial areas which will be controlled by the Commission in turn. During the time that any particular area is under the control of the Commission all the national, provincial and local revenue will be under its sole control so that drastic reforms can be carried out according to a systematic plan and without interference from any source.

"I am particularly hopeful" Mr. Soong said, "of the results of this Commission because it will enable the Central Government to supervise the reform of provincial and local finances. Take the case of multifarious taxation. There is a tendency for the public to saddle the Ministry of Finance with all the hundreds of vexatious taxes existing in the country, when as a matter of fact all the taxes collected by the Ministry could be counted on the fingers, namely, the Customs (which include Parcel Post and Customs Surtaxes), salt, wine and tobacco, petroleum and stamps, and those taxes only effectively in the three provinces above-mentioned. The so-called fishery tax, and one other minor tax are really collected in the exclusive interest of the Ministry of Education, from which they have been recently taken over; likewise the so-called Stock Exchange Tax is only a form of license fees. There is only one more tax, and that is the only new tax established by the present Ministry, the flour tax, and that was levied at the request of the mill-owners themselves in lieu of likin. For the abolition of the multifarious oppressive taxes the Ministry must have extensive powers through the Commission, and after the abolition of the Commission, the Ministry must have effective supervision over local revenue to prevent renewed irregularities.

Abuses Will be Corrected Slowly

"Of course, nobody, and I least of all, expect all abuses to be wiped out by the creation of the Administrative Council and the various Commissions, but I think anyway we are moving in the right direction. Illegal, extraordinary and irregular taxes and financial measures have come into existence during the whole course of civil warfare, covering more than a decade. Few of them are in the category of National taxes, but have been imposed by militarists and provincial officials. We have inherited a crude and unscientific fiscal system, but we cannot change it by one swoop of the ink brush.

"It is necessary that there should be a systematic revision of taxes, following a clear-cut demarcation between national, provincial and municipal taxes. Then the system of Consolidated Taxes, which we instituted with regard to cigarettes, kerosene and flour, must replace the confusion caused by irregularities and by the persistence of likin.

Every change means the breaking of rice-bowls and the destruction of corrupt vested interests. I am not at all pessimistic as to our success, for those who are actually paying the Consolidated Taxes, under the system which we have instituted, find that, in the long run, they pay less and yet the Government receives a greater revenue. That, in my opinion, is the trend of immediate financial reforms."

Sir Frederick Whyte Speaks on Pacific Problems

Sir Frederick Whyte, former President of the Indian National Assembly, was the principal speaker at the Balboa Day tiffin held by the Pan Pacific Association at the Union Club in Shanghai, September 18. The speaker was introduced by Quo Tai-chi, former Vice-Minister of Foreign Affairs. The following is a resume of Sir Frederick's speech.

Balboa Day is an occasion of great significance for all, particularly the nations bordering on the Pacific. The significance about the discovery of the Pacific lies in the fact that it came at a period of some of the greatest discoveries of mankind.

In these days no one is likely to underestimate the importance of the Pacific. Napoleon had said that the destiny of the world rested with the Far East, and Theodore Roosevelt said the area of the Pacific was destined to be the greatest of all.

There is a balance of interests between the Occident and the Orient to-day; the globe revolves on an axis, one end of which is the Occident and the other the Orient, and so what affects one end was bound to affect the other before long. There can be no such thing as isolation. Regional arrangements can be made, but when it came to the major issues such as disarmament, then everybody was concerned in the question of the maintenance of peace and the prevention of war. It was only about 30 years ago that a Western fleet sailed into Eastern waters, and it was quite possible to-day for the process to be reversed and an Eastern fleet to sail into Western waters.

The League of Nations has solved many of the grave issues which threatened the peace of the world; despite criticism, it stood as the result of an intense desire on the part of peoples who realized that there were many questions which called for solution by other means than that of war. After an absence from Europe of five years, I realize that the most significant thing about the League of Nations is the fact that its establishment represented the growth of the strong moral force that lies behind it.

A similar arrangement can be worked out in the Far East on the lines of the League of Nations. The Washington Treaty of 1922, the Four-Power Treaty which superseded the Anglo-Japanese Alliance, is not an adequate substitute for the old alliance. There are some who desire the restoration of that Alliance, but the restoration of the Alliance would set the clock back.

On each anniversary of the discovery of the Pacific, we should be able to record definite progress made towards a system of international co-operation which would ensure a peaceful settlement of the various problems which arose between the different communities and which Europe had been able to solve only by war.

There are two important and vital factors which need consideration by all who take an interest in the future peace of the Pacific. The first is the building up of a vigorous public opinion, which can only be brought about by knowledge, through various associations like the Pan-Pacific Association and the Institute of Pacific Relations of Honolulu. What is needed is the whole truth, and not the half truths of propaganda. What is needed is a fearless spread of truth, even, about ourselves. The second vital factor is that any results towards the achievement of peace can only be achieved by governments which have authority within and without their own countries.

The greatest step towards international peace to-day, is shown by the Chinese people who are beginning to realize that the time has come for the establishment of a civil government for the Chinese Commonwealth.

Shanghai Hit By Typhoon; Streets Converted into Canals

The typhoon which originated in the Pacific ocean end of last week hit Shanghai Saturday and Sunday, September 15 and 16. The rain storm was one of the worst in years and considerable damage was done, although on the whole Shanghai escaped lightly. Shanghai houses generally have no cellars underneath, but where cellars existed in the lower parts of the city, they were, naturally, flooded. The height of the storm coming on a non-business day, the populace generally took the storm as a sort of holiday event. Ships in and out bound were delayed for a day or more, trees were uprooted and many of the streets were converted into canals. At Hangchow and Nanking reports indicate that the damage done by the storm was much greater than in Shanghai. In the Hangchow bay upwards of 100 Chinese junks and boats were capsized.

Route Retard in the French Concession Becomes a Canal

Scene in Front of the Tien Chien Theater, Corner Kiukiang and Chekiang Roads

Shanghai resembled Venice in many ways during the greater part of Sunday. At high tide part of the Public Gardens were flooded. The sewer capacity of the city was not sufficient to carry off the rainwater, the result being that both in the International Settlement and in the French Concession many of the thoroughfares were flooded to a depth of a foot or two. In many streets, motor cars were unable to proceed. The ricshas did a thriving business, the coolies seeming to enjoy wading through the water.

One of the interesting sights to be seen was the persistence with which Chinese bicyclists "navigated" the flooded streets. With water to the hubs, pedals splashing, and in some instances with umbrellas overhead, they proceeded merrily along.

Trade Inquiries

The following trade inquiries have been received at the office of the U.S. Trade Commissioner, Canton road, Shanghai:

Air Compressors:—A firm manufacturing portable air compressors, supplemented by a complete line of stationary belt and motor driven machines is seeking a market in China.

Rubber Heels:—Manufacturers of rubber heels are anxious to place their line in Shanghai.

Trucks:—A New York firm of manufacturers is desirous of placing its line of trucks in the China market.

Automatic Switches:—Manufacturers of automatic switches are anxious to enter the China market.

Straw Hats:—A local concern is anxious to get in touch with a Shanghai firm interested in buying straw hats for shipment abroad.

Scrubbing and Waxing Machines:—Manufacturers of machines that are used for scrubbing and waxing floors in hotels, hospitals, banks, etc., wish to enter the China market.

Insecticides:—A company manufacturing insecticides is seeking a distributor in China.

Leather Belting:—A New York firm, in a position to ship leather belting to Shanghai, wishes to secure an agency here.

Refrigerating Machines:—Manufacturers of household and commercial electric refrigerating machines of the "rotary gear" type, are seeking representation in China.

Cable Cutters:—A West Coast firm of distributors wishes to place in the China market, cable cutters, used for cutting wire cable and holding the blunt ends.

Electrical Products:—Designers and makers of electrical products such as lighting fixtures, wall or portable heaters and fireplace heaters are seeking suitable agents in this territory.

Hay Presses:—A firm of hay press manufacturers is anxious to enter the China market.

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China Agrees To Sign Kellogg Pact

The following is the text of Dr. C. T. Wang's Note to the American Government, announcing China's adherence to the Kellogg Pact for the outlawry of war. The Note was made public on Tuesday, September 18 by the Kuo Min News Agency, and was addressed to Mahlon F. Perkins, Charge d'Affaires, U. S. Legation, Peking:

Sir,—I have the honor to acknowledge the receipt of your communication dated August 27 in which the Government of the United States of America presents for my consideration and for the approval of my Government the text of a treaty that was signed on the same day in Paris by the Governments of Germany, the United States of America, Belgium, France, Great Britain, Canada, New Zealand, South Africa, the Irish Free State, India, Italy, Japan, Poland, and Czecho-Slovakia, binding them to renounce war as an instrument of national policy in their relations with one another and to seek only by pacific means the settlement or solution of all disputes which my arise among them.

The ideals which are embodied in this treaty of extraordinary significance are the foundation on which the national life of the Chinese people is constructed, and I wish, therefore, immediately to avail myself of this opportunity to inform you that this impressive movement for the perpetuation of universal peace and for the advancement of world civilization, aroused our sympathetic interest from the very beginning and that, in the present form as a definitive treaty, my Government has decided to adhere to it without delay.

The Chinese Government and people feel deeply confident that the interdependence of the different nations of the world is making it increasingly manifest to all thinking minds that the renunciation of war and a frank avowal of the need of friendly relations is the only means to save civilization from the danger of destruction. We are, indeed, brought before the supreme test whether, after those painful experiences of a few years ago which still linger in our memory, we are not yet convinced of the absolute necessity of a real spirit of mutual co-operation to guide us in our national policies towards one another. It is therefore a source of profound satisfaction to see that this action of momentous importance, so ably sponsored by the United States of America, is receiving universal response.

As you are aware, the whole conception of life among our people centres round the ideal of harmony. It is indeed difficult, if not impossible, to find in all our thinkers a view of life which justifies conflict in any form as the basis of a national policy, and I venture to think that it is this idea of harmony and peace which accounts for the stability of our civilization and the extraordinary length of our history. The present treaty to renounce war is, in fact, a vindication of the teachings of our revered ancestors, and especially as these teachings, which have been amplified by our late leader Dr. Sun Yat-sen, so clearly embodied in such noble principles as 'Universal Justice' and 'The Brotherhood of Nations', are also at the present moment being applied in the building up of a new China, the Chinese people are prepared to join with America and the other signatory Powers with more than the usual enthusiasm in endeavoring to attain the noble ends of peace.

We are deeply sensible, however, that in order to make war really impossible, it is necessary to eliminate all causes which are likely to give rise to any international dispute, and to rigidly uphold the principle of equality and mutual respect for territorial sovereignty among all nations. My Government, therefore, firmly believes that all the signatory Powers will abide by the spirit of the present treaty and remove, at the earliest opportunity, all of China's unequal treaties and encroachments upon her sovereignty, as for instance, the stationing of large numbers of alien troops on her soil. For it is clear that a free and independent China is one of the most vital factors, whereby permanent world peace may be promoted and strengthened.

I avail myself of this opportunity to extend to you the assurance of my highest consideration.

CHENGTING T. WANG,
Minister for Foreign Affairs.

Nanking, September 13, 1928

Philippines Would Also Sign Kellogg Pact

(*Manchester Guardian, August 29*)

Spain follows with the closest attention the unceasing efforts of her old colony to obtain its full freedom. The recent speeches of Governor Stimson advocating an intensified investment of American capital in the islands as the surest road to "complete autonomy, have been fully reported in the Spanish press, and have provoked many comments. It has been sarcastically pointed out that this was precisely the road followed by Nicaragua (where the same Mr. Stimson acted as "peacemaker") and some other Central American Republics, with results known to everybody.

The signing of the Kellogg Pact and, perhaps more than any of its bearings, the British reservations have stirred deep emotion in the islands. The leading newspapers there observe that, since British Dominions have been asked to sign the pact, it would be in the interest of international peace if the Philippine Islands should sign it as well. True, they do not enjoy full independence as yet, but the Jones promise makes it—legally speaking a question of time only. And then the Archipelago forms an outpost of Western civilisation in the Far East of great importance as a strategic basis, and, therefore, essential to the maintenance of peace in the Pacific.

Dr. Bocobo, a Professor of Civil Law and Dean of the Law Faculty of the Manila University, recently lectured in Madrid, at the invitation of the Spanish Academy of Jurisprudence. Professor Bocobo gave to the Press some interesting details about the present situation in the Archipelago. Home Rule, he said, prevails to a very large extent. Ninety per cent of the representatives in Parliament are elected by the people. All judges are native born, except those of the Supreme Court, where Americans are in the majority. The whole of the Executive is in the hands of Filipinos. Only ½ per cent of the technical officers (in both the central and local Governments) are Americans. An important fact is that 69 per cent of the islanders can read and write, and illiteracy is gradually disappearing. Of the four universities established in the Archipelago (the official Philippine University at Manila and three private educational bodies) only that of Santo Tomas is purely Spanish. In the others both English and Spanish are used throughout the different courses of tuition, so that practically the whole of the 22,000 students are able to speak and write both languages. This in the opinion of Professor Bocobo constitutes a great cultural advantage.

It is interesting to note that in the autumn an "Institute for Hispanic Studies" will be established in Geneva, to which the Philippines have been cordially invited by the other Spanish-speaking countries.

Nanking Road Establishment Exhibits Fine Chinese Curios

Excellent specimens of porcelains, jades and bronzes are displayed at the newly opened premises of S. Talbot & Sons, 522 Nanking road, Shanghai. The porcelains of the Chien Lung period are particularly notable. Especial interest attaches to a Hsuan Te' Heaven Ball vase of the Ming dynasty, in a deep blood color. The rich shade is stated to have been made by the costly expedient of reducing rubies to powder to be mixed with gold and applied. It is estimated that some 20 ounces of each were necessary to complete the coating. The piece is 16 inches high and the sides show the eight Gods familiar in ancient Chinese lore. On the bottom is a rich dragon and phoenix inlay together with a scroll of unusual design that is said to be the imperial seal and which also assures the authenticity of the object.

There are also two porcelain vases some eight inches tall, that are said to be the only square vases seen by the owner in 40 years of collecting. They are excellent examples of the Chinese craftsman at his best and the markings are of such delicacy and fineness as to make the use of a powerful glass necessary to enjoy them to the fullest extent.

Interest also attaches to two round vases of the same period that, though only eight inches in height and extremely narrow of width, contain in the myriad of scrolls more than 100 dragons and phoenixes, each beautifully worked and most precise in color and shape.

Other notable objects are two solid jade tea cups with heavy gold stands. The outsides are thickly covered with Chinese characters that are said to be the writings of the Emperor himself. The cups were presented to one of the Premiers on a birthday as a personal gift from the emperor. One exhibit shows a large black jade carving, a dragon's head ending in the usual phœnix tail. The piece is 32 inches in length and of unusual and fantastic workmanship.

China Demands Full Rights in Manchuria

BY DR. C. C. WU

(The following is a newspaper report of an address delivered by Dr. C. C. Wu, former Nationalist Foreign Minister, at the Williamstown Conference, Williamstown, Mass. Dr. C. C. Wu is now lecturing in the United States on Chinese affairs).

Williamstown, Mass.—"China will never rest until her full and undisputed sovereignty is recognized in Manchuria," Dr. Chao Chu-wu, a Chinese Nationalist leader, declared before the Institute of Politics.

Dr. Wu, formerly Foreign Minister of the Nanking Government and now spokesman for his party in the United States, defined the Chinese attitude in the crisis that has grown out of the Japanese ultimatum to Chang Hsueh-liang, nominal ruler of Manchuria, as follows:

1. Manchuria is essentially Chinese, racially and economically.
2. China demands full sovereignty in Manchuria.
3. Granted control in Manchuria, China will respect all foreign interests, Japanese and otherwise.

Says China to Hold Province

Characterizing the Japanese efforts to prevent the unification with Manchuria as a flagrant violation of China's sovereignty and a pernicious intervention in the internal affairs of another state." Dr. Wu asserted that continuance of the Japanese attitude will intensify the anti-Japanese boycott that began after the Tsin-An-Fu, affair, and that China is resolved at all costs to hold the northern province, which it feels belongs historically and racially to the rest of the country.

The brilliant young Nationalist leader spoke without noticeable accent, but he seemed to be weighing his words. He is a son of Dr. Wu Ting-fang, noted Chinese diplomat and former envoy to the United States, and has been associated with the Nanking Government since its establishment in April, 1927, first as Minister of Foreign Affairs and now as head of a mission to Europe and America. He was educated in America and England, and has been connected with Chinese official life since 1912.

Manchurian History Is Traced

Manchuria is completely and inalienably Chinese, he told the institute. People get the idea that Manchuria is somehow different from other parts of China, he said, but historically this is incorrect. It was 300 years ago that the conquering Manchus left their homes and seized the Chinese Government. Since that time Chinese have gone into the province to cultivate the land and the two countries have become one. The former Chang Tso-lin, for example, and the present leader in Manchuria, his son, the young Chang Hsueh-liang, are Chinese, Dr. Wu declared.

"Such being the case," he said, "the Chinese will never cease to consider Manchuria as other than an integral part of China."

Dr. Wu declared that Japan's interests in Manchuria were achieved at the point of the bayonet by the "twenty-one demands" in 1915. The Nattionalists he said, would not object to the presence of Japanese economic interests, provided they were purely economic. He promised that the Nationalists will provide these interests every protection.

Japanese Control Is Opposed

"We do object," he said, "to the Japanese political control. That control means a Japanese Government in Manchuria, a Japan Governor-General, Japanese trops, Japanese police—in fact, every element of administration."

Dr. Wu said that this meant a diminution of the Chinese sovereignty which had been recognized in Manchuria by all the powers. The latest intervention of the Japanese in Manchuria he said, is designed "to prevent completion of Chinese unification." Pressure is being exerted on Chang Hsueh-liang, either by an ultimatum or by less direct means.

China needs capital more than anything else. Dr, Wu said, adding that this guarantees economic interests of foreign powers in Manchuria will be safeguarded. "China will do nothing to destroy the confidence of foreign capital if she can help it," he said. He objected that in Manchuria the Japanese economic interest had turned into political control.

The Chinese mass education movement, which began among coolie labor battalions back of the lines in the World War, has spread to the whole Chinese people, 80 percent of whom cannot read or write, declared Dr. Y. C. James Yen, Chinese educator, before the Institute of Politics.

Dr. Yen Sees Progress

Dr. Yen, known as the "father of the mass education movement," who received the honorary doctorate degree from Yale for his services, declared success is coming in lifting the level of education of the Chinese in the face of the enormous obstacles. Not only are his followers seeking to teach reading and writing, but they are going further back by first reforming the Chinese written characters themselves, with their thousands of individual symbols each representing a single word or thought. Other obstacles in Dr. Yen's way have been civil war, poverty, famine and national disorganization. Progress of an extraordinary kind has been made. Dr. Yen said.

A simplified language, using phonetic script and containing only a few thousand symbols, has been created to enable the Chinese peasants at least to get the rudiments of the language. Previously, more than 1,600,000 variations of characters had been recognized. Chinese students, paid at the most only a few dollars a year, have volunteered to go into the villages to act as teachers, and the people themselves have shown a tremendous eagerness for education.

Peasants Want Education

"It is to the everlasting credit of our Chinese civilization," Dr. Yen said, "in that no matter how ignorant a peasant may be, he never fails to appreciate the value and importance of "Tu-Shu' education. He may object to opening up of mines as disturbing the dragon, but he will always give his support to education and especially education for the common people.

Elaborating upon this idea, Dr. Yen pointed out that in the Ting Hsien, which is the experimental field for the mass education movement, the people's schools have an enrollment of 10,000 and students range in age from 10 to 56. In addition to formal education, the movement represented by Dr. Yen provides reading matter to those who have passed through the schools. The object of the mass education movement, Dr. Yen explained, is primarily to create a type of citizenship in China able to cope with the great problems facing the Nation.

Better Citizenship is Goal

"The central objective of our educational efforts in this field of citizenship training," he said, "is the extension of the noble moral practices prevailing in the clan and families. In order that China may be able to cope with the demands made upon a modern democracy, the horizon of the village folk, who represent approximately 85 percent of the population, must be broadened and their spheres of interest extended. The ultimate object of the education movement is not merely to turn an illiterate artisan into a reader of books, or even a primitive peasant into a scientific farmer, but above all to make him an intelligent and progressive citizen. Hence the slogan of our movement—'make new citizens.'"

Discussing the effect of this urge for education on Chinese life, Dr. Paul Monroe of Columbia University, writer of a recent book on China, declared that it will end the long continued dominance of the intellectual classes and the special privileges which they have long enjoyed.

Heretofore, said Dr. Monroe, the educated man has been looked upon as possessing almost supernatural powers. "He is revered," he continued. "His actions are above criticisms and his advice or judgments are irresistible. As the official class in the past was drawn almost wholly from the scholar class, and is yet to a large extent, the acts of the official class are less subject to criticism and opposition than they would be elsewhere." This situation, according to the American educator, "has often led to considerable inefficiency and downright corruption. The old system is particularly incompetent with China in the throes of a revolution brought about by contact with the West. Fortunately, it is being supplanted.

China Makes Cultural Advance

"In the organization of the actual machinery of cultural and educational advance, China has made as much progress in the one generation as has any other people. Unfortunately, however, advance in social machinery is a far less difficult accomplishment than the change in actual social functions. The political and military disturbances of the last few years have put a stop to these advances both in structure and in function. We may now expect this advance to be resumed."

Chang Chung-chang's Troops Surrender

A *Reuter* dispatch from Mukden dated September 18 stated that General Yang Yu-ting had reported that the Chihli-Shantung troops of Marshal Chang Tsung-chang and General Chu Yu-pu after some fighting had surrendered and were being disarmed.

A *Toho* message from Mukden dated September 19 stated that General Yang Yu-ting had addressed an urgent telegram to the Peace Preservation Headquarters in that city, stating that he had an interview at Tangshan with Generals Chang Chung-chang and Chu Yu-pu at noon that day and that as the result of this conference, arrangements for compromise between the Fengtien and Chihli-Shantung troops have been effected to the effect that:

(1)—The Chihli-Shantung troops undertake to reorganize themselves of their own accord; and that (2) the Fengtien troops guarantee the safety of Generals Yang Yu-ting and Chu Yu-pu. The urgent telegram further reported that in conformity with the above arrangements Genral Chang Chung-chang, at 2 o'clock that afternoon had issued orders to commanders of all the Chihli-Shantung troops at the front to carry out the re-organization of their respective troops of their own accord.

When England Looked to America for Silk

Here's an article that will make present-day Americans smile. Imagine to yourself that America is still a colony in the British empire and that cheap negro labor is engaged in producing raw silk in America in competition with China. A writer who signed himself "Armo" had it all "doped out" in the edition of the "Gentleman's Magazine," issued in London, April 1756. Here it is, with the quaint spelling preserved.

IT hath been a dispute among travellers, Mr. *Gee* tells us, whether the manufacture of silk, woollen, or linnen, is most considerable in the world: many of them say, the silk manufacture exceeds either of the other two. As we are in full possession of the other two, (the latter whereof has almost within our memory been established and carried on to a surprising degree, by the force of premiums from the *Irish* society) I need only shew, that there cannot be a more profitable manufacture than that of silk carried on. To pursue this assertion through all the branches of this trade, and support it by proper proofs, is beyond any skill and knowledge I have in these things, and therefore I shall confine my observations to the ground work of all, the raising of raw silk, which, if they are just, deserve the closest attention of the planters in our several colonies, where silk may be raised, and even of states of these provinces, if they are truly concerned for their own wealth, power, and prosperity, which are never to be securely built, but upon the production of staple commodities, which the real, not imaginary or fashionable wants of mankind will at all times call for.

The Example of Sardinia

The vast riches of *China*, and the incredible number of people maintained there by this manufacture, is of itself sufficient to demonstrate the great value thereof, and the extraordinary treasure the king of *Sardinia* draws into his country by silk, which is made in the little principality of *Piedmont*, is another instance in point. We may judge, if he draws above 2,000,000*l.* a year from *England* only, over and above what is paid for in goods, how great the whole of this profit must be, when we have added what is drawn from *Holland* and other places, where this manufacture is carried on in a good degree.

We are informed, that the very land for planting mulberry-trees in many parts of *Italy*, is worth from 3 to 5*l.* by the acre, and gentlemen there, as well as in *Sicily*, sell their mulberry leaves to the poor for half the silk they make, and the money is divided equally between them upon the sale of the silk; and that the leaves of a tree there hath yielded 3 or 4*l.* Now if the manufacture of silk, and the planting mulberry trees, has raised the land to be so valuable and some gentlemen receive such considerable revenues from their crops of leaves, very great things may be done in the improvement of estates in several of our *American* colonies, by raising raw silk, where as much land may be had for sixpence, or something very inconsiderable, as may be had in *Italy* for five pounds.

It may be noted here, that very few places are agreeable to the silk-worm, and that none are more so than our colonies, as the goodness of the silk imported from thence has shewn. It is generally observed that the countries producing the best silk border upon the sea, and lie pretty nearly in the same latitudes. Our plantations from *Pensylvania* to the southward, the silk provinces in *China*, *Nanking*, *Chekiam*, *&c.* (countries and climates marvelously resembling one another) the provinces of *Gilon*, *&c.* in *Persia*, all border upon seas, and are near the same latitudes, that is, between 41 d. and 30. The same holds good of the places in *Turkey*, *Italy*, *Sicily*, *Spain*, and *France*, which produce silk. *Canton* in *China*, and *Bengall*, in *India*, lying near ten degrees more southerly, produce a baser silk from the greater heat of the air; and perhaps the silk of *Pensylvania*, when the experiment comes to be tried, will be found of a different quality from that of *Carolina*, and more so from that of the southern part of *Georgia*; for which reason, I hope the society will in proper time extend their premiums to *North Carolina*, *Virginia*, *Maryland*, and *Pensylvania*, from whence silks of a different staple, and fit for different uses in the manufactures at home, may be expected; at least, that distinct premiums may be allotted for *North Carolina*, in which colony, we are lately informed, there are at present about 80,000 souls, and no staple commodity raised to any great value; so that here are a great number of hands ready to be turned, under good direction (and are now under a governor of good talents and inclinations for the purpose) to raise this valuable commodity to their own unspeakable advantage, as well as that of their mother country.

We are told by gentlemen of very good intelligence, that the whole charge of making a pound of silk in *China* does not exceed five shillings, which in *Europe* will sell for 20, or more; and that almost any person, man, woman, or child, may work at it; and a man, or a woman, with a child to assist in directing the thread of the silk, may, with a proper machine, reel from the cacoon, or silk-bag, one pound a day.

Silk Production by Slaves

Now, considering that land in *America* is had for little, and the cheapness of labor by negroes, the expense being little more than their cloathing from *England*, for the country abounds with provisions, some have thought that a pound of silk would not stand in so much as five shillings, and the labour of slaves employed in this work, would produce twice as much profit as those employed in planting, either sugar or tobacco; and when that is over, their hands might be turned to raising and dressing indigo, cotton, flax, hemp, *&c.*

To shew at one view what a vast circulation of trade and cash would be opened between *England* and the colonies by the single article of raw silk, let the following ballance be maturely considered, and, is possible, be brought near the truth. Mr. *Gee* supposes 200,000. to be paid yearly to *Piedmont* for throw silk, over and above what is paid for in goods, besides what is brought as raw silk, in exchange for goods, from *Turkey*, *Persia*, *India*, *China*, *Spain*, *Naples*, *Sicily*, *Leghorn*, *&c.* to a very great value, which I should be glad to see ascertained in any rough manner.

The advantages of being supplied with this article from *America*, besides an increase of employment, hands and wealth both at home and abroad, would be, that our manufacturers would be supplied with what they want at all times with great regularity and certainty, and in a few years with a degree of cheapness that would enable them to afford their silk cheaper and better than any other manufacturers in *Europe*.

	°	′	″
The silk provinces in *China* extend from North latitude	34	28	30
to	24	51	36
Tonquin, from whence the silk of *Canton comes*	22	0	0
Bengal	23	0	0
Persia	35	0	0
to	41	0	0
Piedmont	45	0	0
Pensylvania, *Maryland*, *Virginia*, *Carolinas* and *Georgia*	42	0	0
to	30	30	0

The white mulberry is commonly cultivated in *France* and *Italy* for its leaves to feed the silk-worms. In *Persia* they always use the common black mulberry for the same purpose; and a person of honour, who tried both sorts of leaves, judged that worms which fed on the black produced much the best silk, but the worms will burst if you give them of the black, after having been fed some time on the white.

This point deserves to be thoroughly and accurately ascertained by good experiments, because the fruit, its expressed juice, and syrup, is of great use in hot countries.

The woods of *America* produce two other species of mulberry, mentioned by *Millar*. If the leaves of one or both these should be as proper for feeding the worms as the other sorts are, they have a sufficient quantity of trees in all the woods of that country for establishing the silk manufacture very speedily, without waiting till a competent quantity of the other sorts can be raised. By the forces of a few distinct premiums, this point might be immediately proved, and a progress in the manufacture made at the same time.

The *Persian* silk, it is said, is fit only for certain uses; perhaps this may in some measure be owing to the feed of the worms on the black mulberry leaves; it may therefore be worth while to examine, whether raw silk in the same country, made by worms fed on the different species of mulberry trees, may not have different qualities.

It might be worth a curious person's examination, whether there are not different species of silk worms? whether the worm that in *Chekiam* spins the finest and best of all raw silks, is specifically the same with the worm of *India*, *Persia*, *Palestine*, *Italy*, *&c.* and whether a specific difference in the worm, or the nature of the food or climate, occasions the variety of qualities and colours observable in the raw silks of different countries, The most common colours are yellow, orange-colour, Isabella, flesh-colour, sea-green, sulphur-colour; the silks of *Palestine*, *China*, and *America*, are said to be the only ones naturally white. There is thought to be no necessity for winding the several colours and shades apart, as all the colours are to be lost in the future scouring and preparing of the silk; but perhaps if this trouble was taken in a few instances, and accurate observations made on the several silks, some useful discoveries might be made, either with respect to the species or feed of the worm, or the nature and qualities of the different coloured silks; or with respect to bleaching and dying, whether particular species of silks would not receive particular dyes to the greatest advantage of colour or lustre? whether, for instance, silk naturally white would not in wrought silks produce the finest and most lasting whites? And whether all the coloured raw silks would not receive that dye to most advantage which approached nearest to their natural colour?

Tanaka Orders Yada to Continue "Firm" Policy With China!

(Reprinted from the Japan Chronicle for Sept 7.)

GENERAL BARON TANAKA, the Premier, summoned Mr. Yada, the Consul-General at Shanghai, to the Foreign Office on the 6th instant and gave him instructions regarding the China policy of the Government. It is believed that the Premier told Mr. Yada that in view of the unfriendly attitude adopted by the Nationalist Government towards Japan at present, the Government had no intention whatever of opening negotiations with that Government on any issues. He asked the Consul-General to keep this fact in mind and maintain a strong attitude in dealing with that Government after his return to his post.

Mr. Tsurumi Gathering Views

Mr. Tsurumi Yusuke, a Diet member of the Meiseikai, is to leave for America on a lecturing tour, sailing from Yokohama on the 20th instant on board the *Empress of Russia*. He visited General Tanaka, the Premier, at his official residence on the 6th instant and listened to his explanation of the China policy of the Government as well as his views on the Manchurian problen. Afterwards, he called on Mr. Hamaguchi President of the Minseito, and heard his opinions on the China problem. He also visited Mr. Tokonami for the same purpose.

Not An Official Tour.

Mr. Tsurumi is quoted by the *Kobe Yushin* as saying that it was for the purpose of hearing the views of the political leaders in and out of power on the China problem, as he thought it necessary to be acquainted with them in preparing his lectures to be made during his stay in America. He says that he is to make more than eighty lectures at different places in America on the effects of the enforcement of manhood suffrage on the political, social and other conditions of Japan's attitude towards China Proper, Manchuria and Mongolia, He denies that he is charged with any special mission by the Government in undertaking the lecturing tour in America.

Mr. Hayashi's Loquacious Silence.

Mr. Hayashi, the Consul-General at Mukden, arrived at Shimonoseki yesterday morning (6th instant) and immediately entrained for Tokyo. Although he talked glibly of the prospects of the rich harvest of soya bean, kaoliang and rice in Manchuria this year, he refused to be dragged into the discussion of the Manchuria problem. He pleaded ignorance of anything about the alleged Japanese loan of Y50,000,000 to the Three Eastern Provinces, the rumored policy of the Government to detach the Manchuria question from other problems relating to China for settlement, etc. He cast doubts on the report that a compromise had been reached between Nanking and Mukden.

The Japanese Army Will Not Fail.

Referring to the war situation near Shanhaikwan, the Consul-General said that although it was difficult to predict the future developments of the situation, no serious anxiety need be felt about the Japanese residents in that district, as the Japanese military authorities would surely take the necessary measures to protect them from all harm. He admitted that General Yang Yu-ting is unpopular among a section of the Mukdenites, but said that it was too hasty to conclude from this fact that he would be evicted from Mukden.

The Little Rift.

Asked by a Press representative whether he would return to Mukden in company with Mr. Yamamoto, President of the South Manchuria Railway Company, the Consul-General replied, in a somewhat piqued tone, that there was no reason why he should go back to his post together with Mr. Yamamoto, nor was there any necessity of his conferring with the South Manchuria Railway Company in handling Manchurian problems.

Yamamoto To Proceed To Mukden.

After due conferences with the Premier, the Foreign Office authorities and the Consul-General at Mukden, who has just come home, on the plans drawn up by the South Manchuria Railway Company for the settlement of various outstanding problems in Manchuria and Mongolia, Mr. Yamamoto, President of the Company, is expected to leave Tokyo for Mukden about the 10th instant. His chief object in visiting Mukden is to see General Chang Hsueh-liang, it is reported.

Mr. Matsuoka, Vice-President of the South Manchuria Railway Company, who is also in Tokyo now, will leave for Dairen on the 9th instant.

An Unhappy Reminiscence

The *Yushin* again circulates a rumor of the impending resignation of Mr. Yamamoto, and even mentions the name of Mr. Hayakawa Tetsuya as the probable successor. The local journal thinks that the rumor of Mr. Yamamoto's entry into the present Cabinet is not likely to materialise, as there is a strong body of opposition to his entry on the ground of his implication in the notorious Siemens-Schuckert case some years ago as a Director of the Mitsui Company. Such matters, however, seem to count for little with the present Cabinet.

Criticism Suppressed in Tsingtao

The *Seito Shimpo* ("Tsingtao News"), a Japanese paper published at Tsingtao, reports in its issue for the 1st instant the prohibition of the publication of a Chinese paper there by the local police for publishing anti-Japanese articles. It is said that the offending paper kept on publishing anti-Japanese articles in defiance of repeated police warnings, with the result already stated. Mr. Chang, the editor, was put under arrest at the same time.

The *Seito Shimpo* for August 31st prints an editorial strongly urging the Japanese authorities there to lodge a vigorous protest with the local Chinese magistrate against the anti-Japanese outbursts of the Chinese paper, and to take drastic action against the offending journal, in case their protest does not bring the desired result. In the course of the editorial, the Tsingtao paper deeply regrets that a Chinese paper published at Tsingtao shows greater assiduity than other Chinese papers published elsewhere in instigating anti-Japanese feelings among the Chinese and in circulating absurd fabrications against the Japanese troops, and declares that such anti-Japanese utterances ought not to be allowed within 20 Chinese *li* of the Kiaochow-Tsinan railway.

Britain's Position

The *Kokumin* says that the proposal of the Nationalist Government to apply differential rates as the preliminary to the recovery of tariff autonomy makes the already complicated Sino-Japanese relations doubly confounded, and hopes that in handling this problem, the Japanese authorities will not deviate from the path of reason and justice, or allow themselves to be carried away by temporary sentiment. At the Customs Conference, which was held at Peking the year before last, says the *Kokumin*, Britain found herself in the worst position. Although she finally achieved her end and caused the rupture of the Conference (this is the accepted Japanese version but is not in accordance with the facts), she had the misfortune of seeing a strong anti-British movement started in China, culminating in the retrocession of her concessions in Hankow and Kiukiang to China. Since then the Powers have vied with one another in humoring the Nationalist Government.

Having it Both Ways

Now the question of enforcing differential rates of seven kinds has been revived, and there is a report that both Britain and America have informally indicated their willingness to entertain the Chinese proposal. As for Japan, she is evidently determined to follow a different course, and thus a wide disparity exists between the present attitude of the Japanese Government towards this problem and the one which it adopted at the Customs Conference. This difference is, however, inevitable, in view of the recent course of Sino-Japanese relations. The *Kokumin* nevertheless hopes that the Japanese Government will adopt as favorable an attitude towards the Chinese proposal as circumstances permit. Japan herself went through bitter experiences in regard to the recovery of tariff autonomy, and this consideration has led the Japanese Government and people to regard China's endeavors with sympathy. Indeed, it is a very desirable thing that China should recover tariff autonomy so that she can devote the Customs revenue to the State expenditure or to the redemption of foreign debts.

Must Save Face and Save Situation as Well

It is unfortunate that the relations between Japan and China should be in such a deplorable state owing to the repudiation by the Nationalist Government of the Sino-Japanese Treaty of Commerce, but as the relations between Britain or America and China are not so bad, it is possible that the Chinese Customs question will soon come up for serious discussion among the Powers—among Japan, Britain and America in particular. Besides the question of face-saving, which she has to consider in dealing with China, she must, of course, deeply study how the differential rates proposed by China will affect Japan's exports. At any rate, however, the *Kokumin* hopes that the Government will not allow temporary sentiment to get the better of reason and justice in handling this problem.

The Tariff Issue: Japan Firm

According to the *Yomiuri*, the Japanese Government is in no mood to accede to the Chinese overtures regarding the enforcement of the differential rates as the preliminary to the adoption of the statutory tariff from January 1st next year, although it is generally understood that the British and American Governments will give the Chinese proposal favorable consideration. Unlike the British and American Governments, the Japanese Government is now faced by a very difficult problem arising out of the repudiation by the Nationalist Government of the Sino-Japanese Treaty of

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More Japanese Railway Deals in Manchuria

(The following is a resume of articles pertaining to renewed negotiations between the Japanese and Gen. Chang Hsueh-liang appearing in the Japan Chronicle (British) last week.)

Mr. Yamamoto, President of the South Manchuria Railway Company, saw Mr. Hayashi, the Consul-General at Mukden, who has just returned, on the 8th instant and conferred with him on the matters which the Railway Company is going to take up with the Mukden authorities. Mr. Matsuoka, Vice-President of the Company, was also present at the interview. Mr. Yamamoto is expected to confer further with General Matsui, an adviser to Geneal Chang Hsueh-liang, on the 10th instant, when the latter is expected in Tokyo. He will leave Kobe for Mukden on the 12th instant. On his arrival at Mukden, Mr. Yamamoto is to open economic negotiations with General Chang Hsueh-liang in pursuance of the policy for which the approval of the Government authorities has been secured. On his own showing, the negotiations will be in reference to economic issues only. The railway problems and matters relating to the industrial development of Manchuria will form the main points of the forthcoming parleys. According to the *Asahi*, the following problems will be chiefly taken up between Mr. Yamamoto and General Chang:—

1.—Matters relating to the conclusion of a loan contract, the methods of protecting Japan's investments, and the joint management with the Kirin-Changchun line, regarding the Kirin-Tunhua line, which is to be opened for traffic on October, 1st.

2.—Matters relating to the construction of the Kirin-Kainei line and other lines which are necessary for promoting Sino-Japanese economic relations.

3.—Matters relating to the adjustment of Mukden notes the establishment of a Three Eastern Provinces Bank and the southward movements of North Manchurian goods for accelerating the industrial development of the Three Eastern Provinces.

Subsidiary Companies to be Formed

On his return to Mukden, Mr. Yamamoto is to negotiate with the Mukden authorities for the settlement of various outstanding problems, including matters relating to the economic development of the Three Eastern Provinces. Prior to his departure, he invited Mr. Arita, Director of the Asia Bureau, Mr. Hayashi, the Consul-General at Mukden, Mr. Hori, the Councillor of the Japanese Legation at Peking, and Mr. Matsuoka, Vice-President of the South Manchuria Railway Company, to his residence at Azabu and conferred with them on the matters which are to form the subjects of negotiation at Mukden with the Government authorities in connection with their execution.

According to the *Asahi*, the South Manchuria Railway Company is prepared to give substantial economic help to the Mukden authorities, if occasion demands, in connection with the execution of its plans for the economic development of the Three Eastern Provinces.

At the Cabinet Council, September 11, Mr. Yamamoto, explained the policy of his Company for the economic development of Manchuria and Mongolia. In the course of his explanation, he said that widespread suspicion among the Chinese and all other foreigners that Japan monopolises interests in Manchuria and Mongolia was due to the fact that the South Manchuria Railway Company were carrying on various kinds of undertakings almost exclusively in those regions. In order to dispel this suspicion and give proof of Japan's sincere desire to act in friendly co-operation with China economically, it was important that various businesses now operated by the South Manchuria Railway Company should be detached from the management of the Company and separate companies should be organised for their operation. In these new concerns Chinese and all foreign nationals must be allowed to have shares. By this means, he declared, the economic development of Manchuria and Mongolia could really be achieved.

Economic Development Necessary

Interviewed by a representative of the *Asahi*, as reported by the *Japan Chronicle*, just prior to his departure from Kobe on his return to Dairen Mr. Yamamoto explained that his policy to help forward the economic development of Manchuria and Mongolia aimed at Sino-Japanese cooperation, the Open Door and equal opportunity. Lip service has been paid to Sino-Japanese friendship and equal opportunity in the past but nothing substantial had hitherto been done to translate the avowals into actual deeds, he said. He now proposed to detach many undertakings operated by his company in addition to the railway business from the management of the company and organise new companies for their separate and more successful operation. The opportunity will be taken to throw these businesses open to foreign capital with a view to facilitating the economic development of Manchuria and Mongolia. According to Mr. Yamamoto, the Anshun Ironworks will first be separated from the South Manchuria Railway Company and a new company capitalised at about Yen 70,000,000 will be formed. A Manchuria and Mongolia Trust Company with a capital of about Yen 100,000,000 will next be formed. The manufacture of soda will also be run by a separate company to be newly organised. In short, all businesses which can be detached from the South Manchuria Railway Company are to be separated from the Company one by one. Mr. Yamamoto admits that the execution of his new plans involves heavy expenditure, but as there was still room for calls on the shares of the company, there was no occasion for contemplating floating foreign loans at the present time.

Referring to the rumor that the Mukden authorities plan to get a big loan from the South Manchuria Railway Company, Mr. Yamamoto said the South Manchuria Railway would be overstepping the limits of its articles of association by dabbling in such transaction. It was a mistake to associate the South Manchuria Railway Company and such loans. So far as the question of raising funds is concerned, it can be left to the many big banks which Japan possesses.

TANAKA ORDERS YADA TO CONTINUE "FIRM" POLICY WITH CHINA!

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Commerce, and consequently it finds it difficult to approach this problem in the same manner that other Governments do. Even if the British and American Governments may consent to negotiate with the Nationalist Government regarding the enforcement of the proposed differential rates, it is believed the Japanese Government will refuse to do so.

Tanaka's Denial of an Interview

The foreign affairs committee of the Minseito met at the party's headquarters on the 6th instant, when they made public a statement condemning the attitude of General Tanaka, the Premier, who rejected the repeated requests of a delegation of the party for an interview on the China problem. The statement says that it is quite common that the Opposition party should demand from the Government an explanation of its home or foreign policy, and yet General Tanaka, the Premier, contrary to all precedent, has refused to receive a delegation of the Minseito, who desired to interrogate him on certain matters relating to China. The delegation were well aware of the pressure of business on the part of the Premier, and consequently they gave him time to receive them. Notwithstanding this, he has not granted them an interview. How could he hope to unify the national opinion, which he is said to be particularly anxious to secure on the China policy, when he acts in this singular manner?

Who Was Massacred and Who Committed Murder?

The Minseito delegation desired to point out to him, among other things, the necessity of making clear the responsibility of the Government for the Tsinan massacre and of dispelling the widespread suspicion abroad that the Japanese had a big finger in the assassination of the late Marshal Chang Tso-lin. These are very important matters, and yet the Premier has hitherto taken no step in the direction suggested. The Premier expressed a desire to see the President of the Minseito instead of the delegation, but if he desires to remove the public misgivings, he ought to avoid any secret talk, but should openly publish the true facts of the case. The only conclusion to be drawn from his refusal to see the Menseikai delegation is that he fears that the blunders committed by the Government may come to light. Such an attitude is, indeed, beneath a constitutional statesman, declared the statement.

Shanghai Exports to U. S. A. Total Gold $2,479,010 for August

The total of exports shipped from Shanghai to the United States during the month of August was only $2,479,010. The total for the first eight months of the year shows a total of $29,954,624. The above figures are from a report issued during the week by the U. S. Consulate General of Shanghai. Shipments in nearly all lines were low. One of the exceptions was frozen egg yolk, of which $105,631 was shipped. No buffalo or cow hides, no kid, sheep or lamb skins were shipped. Only $10,511 of weasel skins went forward; no marmot skins whatever. Bristles showed up fairly with $105,303. Linen embroideries were shipped to a value of $110,741—a fair average. Raw-silk totalled only $931,874. Above figures are U. S. gold.

"Humanity and Labor in China"*

BY J. D. MONRO

A hard-boiled Shanghailander, in connection with the appearance of this book, was one day—or rather, at a certain dinner-party, overheard discussing Dame Anderson, the author of the book. Said he: "She didn't let herself be fooled by those....etc."—referring to certain Chinese labor agitators. After this favorable judgment, he proceeded to offer the loan of one of his two copies of the book.

From this little incident, it may be judged that we have here something that will appeal even to the anti-sentimentalist. Indeed, there is good reason for this, for Dame Anderson is throughout scrupulously honest, impartial, and non-political. Moreover, the proofs of the book, before they went to the Student Christian Movement Press, were first submitted for a thorough inspection by Mr. Gideon Ch'en, who is one of the experts on Chinese labor conditions, and who at that time was in England.

It is unlikely that most people will have time to wade through the whole volume, much of which consists of details only really appreciable by trained factory inspectors. For those, however, who have any understanding of, or interest in, labor conditions, the book is written in an easy and readable style. For the others, it may be of interest to read through a few of the more important passages:—

"The episode which is the main subject of this story", says Dame Anderson, "with all its unforeseen reactions and developments, grew out of an enterprise intended to remedy the grave ills of industrial labor, in which American and British efforts were united with Chinese; and the enterprise was explicitly Christian. Although springing from earlier initiatives it first began to take shape in 1922. Steadily it moved on from that point until interrupted by the wide-reaching political events of May to June 1925, in Shanghai; events which fused with other political movements from the South in a manner that could not at the time, nor for some months following, be clearly perceived.

"The main purpose of this book, which was began in spring, 1925, was promptly to record experiences met with while taking an invited part in the voluntary movement for the protection of labor in industry which was led by the National Christian Council of China. Next, my purpose was to declare emphatically that the new industrial situation in China (a critical one for the international movement to humanize industrial life), demands, in an exceptional degree, the support of scientific research, uninfluenced by interests of party, or faction, or nationalistic struggles.

Interest in England

"Already in 1925 some aspects of the labor situation were receiving considerable attention in the British Press, in Parliament, and in other directions. Questions addressed to the Government in the House of Commons appeared, in 1927, to be based sometimes on very inadequate or confused ideas of the realities behind them in China. Confusion of ideas, as well as sympathy for children, was patent in an invitation sent me (as an ex-member of the Child Labor Commission of Shanghai) to speak at a public meeting in London in the summer of 1925, against labor conditions in Shanghai. The organizers of the meeting appeared to believe that the Municipal Council of the International Settlement shared with the foreign manufacturers the responsibility for the scandal of the conditions of child labor in factories, which had become a matter of common knowledge since the publication of the report of the Commission which that Council itself had appointed. In various ways and places I pressed the view that it was a barren line of mere controversy to arraign either foreigners or Chinese in China as being specially responsible for the labor evils that were disfiguring and impairing development of the factory system in China, as they had done long ago in other countries. The difficulty in the way of conversion to better things in China lay not only, as formerly it had done in Western lands, in a natural inertia among the majority of the employers (necessarily Chinese), who still work under the assumptions and customs of an old order of economics and industry. Much greater obstacles to progress lay in the absence of stable government, in the uncertain and disturbed conditions of the country, and in the effects on the outlook of the Chinese employers of the tremendous poverty and the illiteracy of the mass of the people. In China, as in other countries, when the indisputable existence of the evils in unregulated factory industry have been sufficiently advertised to gain the support of public opinion for their administrative redress, peace is above all necessary if the practical issues are to be dealt with by wisely applied laws. Still more is peace necessary in a place where two main streams of civilization, with widely differing features and standards of living, have met and become closely involved in common economic interests. In the long run, nevertheless, the real essential is the conversion of the Chinese people themselves, in industrial districts, to the policy of sustained application of practical rules for the safeguarding of the health and safety of labor, as in other industrialized countries.

"The earlier chapters of this book, which were in a measure due in defence of the small body of British employers, who were exposed to unfair, unequal, and most unreasonable blame for labor conditions in China, were begun under the influence of a strong hope; for, until the end of the first quarter of 1925, it seemed as if we were on the eve of attaining a step towards co-operation between foreigners and Chinese in a practicable measure of protection for child workers in the factories within the Settlement. No one there thought of it as more than a 'lead' to the authorities outside, a promise that the foreigner would not fail to advance when China began to exclude the youngest children from overstrain, to protect workers from accidents, and to prevent injury to the health of those admitted into factories. The hope had been encouraged by the responsive way in which I had been officially and unofficially received.

"And then, on the 30th May, 1925, came the tragedy of the riots and shooting in Shanghai, which for a time defeated the practicable preliminary step towards active reform. The clearest and fullest accounts of the situation as yet attempted, after the Report of the Child Labor Commission, July 1924, can be seen in the two Foreign Office Memoranda on Labor Conditions in China. Yet the whole story of the origin and details of the Campaign to get the Child Labor Bye-Law passed, under conditions which were most complicated and are still most difficult to understand (apart altogether from the events of May 30th), has never fully appeared in the West. The happenings that rapidly followed were largely of a political kind, not, in the main, derived from labor troubles, although drawn into close association with them. Among the saddest consequences of the disturbances was this sudden shutting down of the hopes which had sprung up, of combined and cordial Chinese and foreign administrative action for amendment of the deplorable conditions of labor of young children in the industrial region of Greater Shanghai. The last chapter of this book shows that the main action in this campaign, in the Settlement at Shanghai, was really for the time at which it was undertaken—a forlorn hope. That does not lessen the human interest of the struggle, to attend first of all to the poignant needs of the child workers of China. There was indeed no forlorn feeling among the chief workers in the struggle.

Only a Small Proportion of Factory Workers

"It has been said by those who look chiefly at the foundation of Chinese life on the broad base of agriculture that too much has been made by the industrial reform movement of the injurious conditions in which industrial labor is carried on. In a country where at least 80% of the vast population are dependent on agriculture, only a relatively small proportion can be factory workers or workers in allied industrial occupations. And yet, as we have seen, there are well-qualified thinkers and patriotic leaders who declare that industrialism is already an awakening force—doubtless by its capacity for good or ill, according to the human use made of it. The subjects of industrialism and industrial welfare were pressed by Chinese witnesses on the attention of the British China Indemnity Delegation.

"An account of the position (in connection with the early establishment of factories in China), which needs revision in the light of the facts in the industrial cities of China, appears in "China and the Nations", by Wang Ching Wei, in these words:—"The Chinese, not carried away, as was the West, by the wonders of mass production in the factory, are strenuously resisting even now its introduction, except where it can be managed on the most humane principles". This is certainly contradicted by the dates, numbers and conditions of large Chinese factories in purely Chinese cities of the Yangtse River and Delta; also by the rapid conversion, in some of these and in the north, of workshops into small factories by introduction of a modicum of engine-power, sometimes at the back of little shops. In China we see, all over again, much of the early story of the transition to modern methods of production that arose in all the industrialising countries.

"It is not until one with experience of factories and of administration of factory law in the West arrives, and sees what is in progress in the way of industrialization, that the magnitude of the new risks and dangers, or the immensity of the field already awaiting the reformer, can be grasped. Within two months of my arrival I was impelled to assure a gathering of foreign and Chinese manufacturers, that, in the matter of overstrain, I never saw in the United Kingdom, and never imagined, anything so bad as the conditions that I was

*An Industrial Visit and its Sequel (1923-1926) by Adelaide Mary Anderson, D.B.E., M.A.

finding in the factories of China. A suggestion sometimes made by Chinese themselves, that China has so many children that she can spare them, runs counter, of course, to the things taught by Public Health administration in the West. The greater the population, the worse the burden of every maimed or injured producer.

The Climax in the East

"Enough was known about the rapid incursion of modern methods of factory production into parts of China,—the still wide field of ancient and mediaeval handicraft methods,—to enable one to infer that it was there that one could find clues to world problems of organization of industry that could not be clearly grasped in Western countries, where the transition to industrialism has long since been practically complete. And, after my visit, it appeared to me unquestionable that it is in the Far East that, in spite of wars and political turmoil, a climax is being reached—possibly the critical turning-point—in the world-process of development of the industry of mankind from the ancient hand tool form to that of the modern power-driven factory. There, too, the mutual interdependence of world markets and the activities of modern labor may yet be most signally demonstrated.

Dame Anderson, on her way to Shanghai, visited Hongkong and Canton. At Canton she had an interview with Sun Yat Sen, which left her "feeling non-plussed and very ignorant." At Hongkong she was much impressed with the work done by "the capable factory inspectors working under direction of the Government Protector of Juvenile Labor", and by the results of the Governmental regulation of conditions of labor in industry which were first initiated in 1921. As Dame Anderson says, "the first legislative steps—British people may be thankful for it—taken in the Far East for protection of Chinese workers in factories were taken by the Government of Hongkong," not by the International Settlement of Shanghai." Of Hongkong University, she says, "It is to be hoped that the still young University of Hongkong, with its important Faculty of Engineering, will in due time develop a large human outlook in its graduates who pass out from it into industrial life."

On approaching Shanghai, these were some of the questions which Dame Anderson asked herself:—"How can it be secured that the conditions in Chinese factories shall be made fit and adequate for the human laborers, whose well-being, economically and socially, is even more indispensable to successful production than the most perfect machinery? How can they avert a further development of an unhumanized, morally unregulated condition of factory labor that eventually may, if it remains uncontrolled among the millions of China, lead to economic upheaval for the world? And, as a first step to these things, what can be done to remove young child workers out of the (for them) improper surroundings of the factories and into the schools, to train them for their future life as citizens in an industrialized world?"

Dame Anderson arrived at Shanghai on Dec. 1st, 1923. Her experiences there, during the course of her industrial investigations, led her to form very favorable impressions of its then governors and of its future prospects. "A kindly providence," she writes, "has here directed the steps of kindly souls from all nations of the earth to make up our (Shanghai) glorious miscegenation, so that one of our chief attractions is the fact that in Shanghai's Settlement you find fellow-creatures from far across the seven seas. Despite internal unrest and political dissension, the tremendous possibilities inherent to Shanghai's geographical position are being realized day by day, and destine her for a higher position in history." And so she goes on quoting *Scrutator* with full approval. Moreover, in her own words she says, "Ultimately the Settlement ranks municipally as one of the best-governed places in the world, under an Executive Council consisting of nine members, of whom six were British during my first visit. I suppose one may take these (two) men as typical of the heads of the International Settlement, and nowhere in the world have I found men more accessible to representations touching human welfare. The adjustments that had been so far administratively made, step by step, sometimes seemed to me as wonderful as any that I had seen in the management of human affairs. Could such arrangements have worked thus peaceably, for so long, in any other country than China or among any other people than the Chinese! I think not among any other people of such capacity. A large and essential part in political relations is of course played by the Consuls-General of the foreign nations concerned, and by the Chinese Commissioner of Foreign Affairs. One conviction, acquired on the spot, appears specially, I suppose, in Chapters IV and IX of this book: that the need is incalculably great for a spirit of co-operation between Chinese and foreigners, above all in the International Settlement of Shanghai. In my way of thinking, that Settlement is a glory to China, who first allowed it and then helped it, through the labor of her people. I see the Settlement as a great hope for mankind, not less indispensable for China and Asia than the center of the infant League of Nations in Geneva is for Europe (with its organs for promoting Public Health, Welfare of Labor and other peaceful co-operation of the nations). There, in Shanghai, *joint* experimental work can be carried on that China, above all, needs, in facing too rapidly with a minimum of technical preparation, the vast possibilities of Industrial civilization.

The Factory System

"In Western countries, when the factory system began, there were effective national governments in some degree sensitive to the workings of public sentiment. In China itself, in 1924, as more obviously in 1927, there was no effective national government for administrative purposes able to work throughout the country, and the people themselves cannot work with a reconstructive aim until far more can be made plain to them of what is happening industrially. Neither was, nor is, there any settled and real freedom for modern labor organization.

"In Shanghai there are well-informed, active and well-led Manufacturers' Associations (foreign and Chinese), an alert and able Executive Council of the International Community, besides Consuls-General etc. The sympathetic reception accorded to me, as an adviser called in by the National Christian Council by many Chinese and foreigners, and the widely supported desire of finding a good way out of the tangle of difficulties that lay in the general economic and political situation, were such as to encourage one, while seeking a remedy, to bear the burden of realizing the terrible conditions for the children.

"It was all very different from the factory precincts in Hongkong, and far further forward on the road towards industrialization. But for the non-essential details, the Yangtzepoo region might have been in a Lancashire cotton town—perhaps in a part of Bolton or Burnley in the days I can remember in the late nineties, when diminutive eleven-year-old children were legally employed in mills. In one of the greater mills (British the managers, so I was told by my guide) were aiming (as also were some Japanese mills) at exclusion of workers under eleven years, but ways of testing age are hard to find where there is neither birth registration nor compulsory school attendance. And just over the border of the Settlement, quite near by, there are mills with "no questions asked" about age, and literally numberless parents who are unable to imagine economic conditions in which children do not begin to help seriously with bread-winning at five years of age. It was necessary to hold these things firmly in remembrance, otherwise it would have been difficult indeed to understand how all the cotton spinning-mills alike, whether under British or Japanese or Chinese management, could possibly run on under this dreadful tyranny of the night and day shift system for seven days a week.

The Reform Movement

"In this chapter we are concerned with the early beginnings of a joint Chinese and foreign movement for adding due care of the humanity of manual workers to the earlier activities for speeding production by means of applied science. Because of the non-political character of the masses of the people, and the slowly changing civilization of China, it is improbable that we should yet have heard much, beyond the limits of the Foreign Settlement of Shanghai, of legal protection of child workers, or have heard of the new insistent call for more humanized conditions in factories, had not two fresh influences arisen. These are the International Labor Organizations of the League of Nations—to which China adhered by her signature of the Treaty of Peace in 1919; and the movement towards unity among the Reformed Christian Churches which specially affected Christian life in China.

"There was also the Chinese student movement of 1919-1920, which, beginning in Canton, preceded some attempts of labor to effect its own organization in a modern sense. These attempts and the various strikes which followed awakened a new public attention to the needs of labor, to the grave present lack of health and safety, and to the miserable economic conditions of workers. The old guilds, belonging, as they did, to the pre-industrialized system of production, were generally joint organizations of masters and men, Tending as they did to be largely under the guiding hand of the masters, they could not easily be so modified as to represent the growing numbers of factory workers, widely recruited as these were for employers by contractors; and thus trade unionism began, with some help from students.

"The year 1922 in China was in various directions a year of significant social turning-points. As the first practicable step, the Chinese Christian Conference of that year recommended adoption in China generally, and above all, by Christian employers, of the three following projects for factory industry:—

(1) No employment of children under twelve full years of age;

(2) One day's rest in seven;

(3) The safe-guarding of the health of workers by limiting working hours, improvement of sanitary conditions, and installation of safety devices in works and factories,

"These fundamental recommendations were passed in 1922 by the Conference as a whole. In October they were endorsed by the Chinese Chambers of Commerce of Chefoo and Peking. All this preceded the dangerous political phase of the aid given by the Student Movement to the greatly needed organization of labor.

"Much of this program was carried out, but some of it was to be accomplished when my homeward journey to England began in the middle of October 1924.

The Two Y's

"The urgency of the claims of industrial labour in regard to general conditions of health and safety, so evident in the factories and hospitals of a great city like Shanghai, had for some years much light thrown on it by the efforts of forerunners who were working for girls and women, young men and boys, in the Y. M. C. A. and the Y. W. C. A. During fourteen years the Y. M. C. A. had learned much of the sufferings of women and children in the factories. Their earliest Association work was among mill women in Shanghai, a house being taken for a center in the Yangtsepoo Road, in 1906. My own experience of the worth of the work of the two "Y's," in their challenge to the ills they saw in the new industrialism in China, is supported and confirmed by the opinions of Bishop Francis J. M'Connell of the Methodist Episcopal Church of the United States, who come to the country in 1921-22 as a member of the China Educational Commission sent by leading Mission Boards of the United States, Canada and Great Britain. He found that "so far as the direct action of Christian forces on the Chinese industrial situation is concerned", the leaders of the Y. W. C. A. "seem to know the facts at first hand; they seem also to be planning ahead for changes not yet at hand. And there appears also a note of boldness in their utterances which is unmistakable in its implications. The Y. M. C. A. is not quite so thoroughgoing. It keeps the emphasis more on the remedial efficacy of welfare work. The Association, however, is encouraging free discussion of the whole problem. Laying stress, as it does, on native Chinese leadership, it seems to stand higher in the regard of the non-Christian Chinese than does the Church".

"The merging of all the aims in industrial welfare work in 1922 under the leadership of the National Christian Council, through its Industrial Committee, meant that a turning-point had been reached in the movement for reform. This definitely Christian leadership in a socially constructive effort of great importance, at a critical time, meant that China was offered a new motive power towards the care of humanity in industry. It was the self-same motive power that in a more diffused way, in the nineteenth century, had been the life of the similar initial attempts in Great Britain. The fact that Chinese employers of labor were members of that Council and convinced supporters of welfare in their own works, in various centers of industry, was extremely important.

"Two matters linked with this field of humanity in industry, of fundamental national and international consequence to which my earliest attention was drawn at meetings of the Industrial Committee, were: The exceptional need in China (a) for providing university and practical training for social and industrial welfare workers and public health workers; and (b) for well grounded social and economic surveys and for trustworthy statistical records, both essential to any solid advance in social legislation and administration. The N.C.C. reiterated and followed up a recommendation of May 1922 on these points, and also fully acted on the advice that steps should be taken to secure the services of any visitors to China who have specialized knowledge and experience of the industrial situation in other countries. In China the greatness of the need and the lateness of the movement for factory reform has made it desirable to consider both measures together—State (or Provincial) factory regulation, and trained employment-management—as remedies for the excesses of mechanical production.

Child Labor Commission of Shanghai

In connection with the Child Labor Commission of Shanghai, which was appointed and began its work in June 1923, it is interesting to note what Dame Anderson says: "The next significant discovery of a general kind was that amongst the people of Shanghai (apart from the activities of the reformers) there was a lack of ordinary diffused public interest in the subject matter. How different was the position as regards records and popular interest when the British China Indemnity Delegation arrived to prosecute its enquiries in any part of China! Then witnesses presented themselves and poured out their plans for the wisest ways of spending the Indemnity Fund. Education is a matter in which the Chinese have a spontaneous interest—regulation of the condition of labor is to them a new and difficult matter. Most of the evidence before the Child Labor Commission had to be gathered in through its own efforts, by calling its witnesses and by personal study of actual conditions, and they expressly disclaimed finality or completeness in their tentative conclusions on the changing industrial order. The last words of the Report of the Commission, which really governed the whole of its proposals, are as follows: "Reform of present industrial conditions and the consequent amelioration of the lot of the Chinese child worker cannot be achieved unless it receives the moral and active support not only of the foreign residents but of the vastly greater body of the Chinese public."

"In Part II of the Report, we find, not only in its position but still more in its meaning, the center of the whole Report of the Commission. This fact has not generally been understood by students of the Report. The aim of Part II certainly takes precedence over the restricted minimum recommendations in Part III., which were proposed expressly only to make a beginning, while the Chinese Government continued to be unable to give legal effect (even in the adjoining Province, Kiangsu) to its own Provisional Regulations of March 1923. In Part II we find the statement of the standards which ought to be recognized throughout China as desirable and ultimately as realizable. The fundamental position of the Commission is that the standard to be aimed at, whether in the Foreign Settlement or any part of China, and "to be adopted at the earliest practicable moment, is that set up by the Washington Conference" of 1919, as modified by the subsequent Conferences of the International Labor Organization. Thus the real meaning of the recommendations in Part III is, *not* that regulations of a limited nature in the Settlement should take the place of the Peking Provisional Regulations. It is that while no regulations are enforced in China, in any factories outside the Foreign Settlement, such minimum regulation as is practicable should begin in factories inside the Settlement for protection of the Chinese child workers, and so lead the way to enforcement by the Government of the Republic of China of better standards in all factories on Chinese soil.

"A campaign of publicity was immediately set on foot, to get the minimum regulations of Part III made law. Between them the four leading newspapers in English—British and American—had no less than seventeen leading articles to guide the foreign community, between March 14th and April 16th. The publicity for this Municipal effort increased so greatly locally and internationally, that the promoters of the reform in the Industrial Committee, and their fellow-workers in the two Y's may clearly be exonerated for not having added (before April 15th) a personal canvass of every individual voter to their already heavy labors. It was none the less a very necessary step, and, as events of a political character shaped themselves during the month of May, it became evident that April 15th was probably the last opportunity, in 1925, to carry the Child Labor Bye-Law. The whole world (so far as interested) knows that, while the number of voters who attended increased, as compared with the recent years, yet the Quorum was not present at the Special Meeting of April 15th to carry or to definitely reject the reform.

The disappointment was great and bitter for those who had hoped not only to obtain early release for the youngest of the children, but also to *pave the way* to a better position for the older labor, which from the outset was the aim of the Industrial Committee. If the measure had been carried on this first occasion of its being brought forward in Shanghai, then the foreign community would have achieved what no nation had yet achieved at an early stage in this kind of reform. The reformers, however, were not thinking on these lines, and they very soon rallied.

Dame Anderson's Conclusions

"My own vivid impressions remain—of a remarkable vigor and acuteness of mind in these Chinese workers. Here is a great field for adult education, and for introduction to sane, fruitful methods of trade union organization. The appalling length of hours of work presented a grave obstacle, and the problem was to know where to concentrate in the attempt to break the chain of ignorance, helplessness and oppressive conditions. No doubt attack must be made at various points. The existence of the present contract system of recruitment and supervision of the workers seems calculated to lead to periodic trouble and to the extensive, violent out-bursts that in themselves are an obstacle to reform. The underlying conditions of *malaise*, 'dis-ease', added to the lack of any clear law regulating combination, would go some way to explain some of the sudden executions of labor leaders by Chinese Provincial Authorities. And these very conditions, combined with the ignorance and helplessness, must have made a regular hotbed for the beginnings of the labor troubles in 1925 which rapidly passed from an industrial to a political and racial phase.

Finally, never let it be imagined that it was the factory system that introduced "exploitation of childhood." The continuance to this day of the domestic system of industry in China tells us plainly (what we only knew partially from survivals in Europe) that it is the extreme poverty of parents, combined with ignorance and the isolation of the unorganized, that is the occasion of such exploitation. The factory system did but make the evil plainer, and it disclosed the pathway to reform.

Japan's Shattered Dreams In Manchuria

(The following article which was written by a correspondent in Antung, appeared in the Manchester Guardian on August 20.)

Recent events in China have given new importance to Manchuria. The question of its government has become a vital one with the advent of a Nationalist Government in Nanking. Since the Republic was established, in 1911, this vast province —six times larger than England and Wales—has had semi-independent rulers: the recently assassinated Chang Tso-lin was the most powerful. But prior to 1911 Japan had established herself in Manchuria. The victorious issue of the Russo-Japanese War in 1905 left her in possession of Mukden, and that gave her not only possession of the entire Korean Peninsula but, through the railways constructed for military purposes, practical control of South Manchuria for all administrative and economic purpose. By an agreement made later with Russia she was understood to have South Manchuria as her sphere of influence while Russia had the North. The definite aim of Terauchi, first Governor General of Korea, was to establish at Mukden a central authority from which Korea and South Manchuria could be controlled. No doubt existed in the minds of observers on the spot that the final goal of Japanese policy was the annexation of Manchuria, the incorporation of the whole province with its vast potential wealth in the Japanese Empire.

Japan had every temptation to try to repeat her earlier and successful Korean policy. Conditions and events were in her favor. China following the revolution was torn by dissensions. Rival statesmen and soldiers "staked' out claims for themselves, and defied the authority of Peking. The Great War—in which China joined ultimately—offered the military party in Tokyo a golden opportunity for Japan to assert herself in China and to increase her prestige and power on the mainland of Asia. Precisely when the European military situation appeared most unfavorable to the Allies the Japanese Government presented a series of demands—the famous 21 demands—which, had China conceded them, would have put the whole country politically and economically under Japanese control. Outside pressure forced Japan to withdraw them. Naturally they created widespread suspicions, not only in China but also in the West. They aroused deep resentment in the minds of China's millions. Chinese-Japanese relations have been more or less strained ever since.

"Peaceful Penetration"

Defeated in this frontal attack on Chinese independence and territorial integrity, Japan made persistent flank attacks. She joined forces with Russia. She used her banks, her railway systems, her commercial corporations, her military forces to strengthen her hold on Manchuria, and correspondingly to weaken any Chinese Government, whether provincial or at Peking. It is not to be forgotten that originally one important factor was in Japan's favor. Manchuria was thinly populated as a whole. The rich areas between the Amur and the Sangan, and all the immense prairieland through which the Chinese Eastern Railway now runs from Manchuli to Vladivostok, was uninhabited save for stray hunters, fish-skin Tartars, and other nomads. The surplus Japanese population was drawn on to people these lands, as in the case of Korea. This Japanese population would form the basis, it was hoped, of a permanent and unshakable hold upon the entire country. This was accompanied by unremitting development of far reaching plans—economic and political. A policy of "peaceful penetration" throughout South Manchuria, extending ever northwards, made the absorption of Manchuria as a whole only a matter of time. The disastrous civil wars which shattered the whole fabric of Chinese life appeared to have put out of question any power of resistance. Japan appeared to have the whole field to herself. Yet today the realization of Japan's dream is shattered. Any review of the pertinent facts will demonstrate this incontestably. What are they?

A Changed Situation

1. A Central Chinese Government has at last materialized. It may know rebuffs and defeats. It may be imperilled by the folly of its friends or by the machinations of its enemies. But it is established at Nanking. It is significant that one of its first acts is an attempt to reassert its authority in Manchuria. To attain this it seeks to assume effective control of affairs at Mukden. Dr. Wang and his colleagues may have been hasty and ill-advised in denouncing a certain treaty—the Chinese-Japanese Treaty of July 21, 1896—and in having provided Japan with reasonable grounds for the "warning" served upon China in her Note of July 31, to the effect that if Nanking does supplant treaty arrangements "by unilateral provisional regulations" the Japanese Government may be obliged "to take such measures as it deems suitable to safeguard its rights and interests assured by treaties." Obviously the "warning" is tantamount to a threat. Of course, it may be a big bluff. But of one thing onlookers may be certain. There is ample evidence that Chinese statesmen accurately appreciate Japan's power to enforce her claims by such measures as her Government "deems suitable."

The Chinese in Manchuria

The whole situation has changed in Manchuria in recent years. It is now greatly populated, especially in the north, not with Japanese but with a vigorous and still rapidly growing Chinese population. Japanese are overwhelmingly outnumbered—some estimates suggest 20 Chinese to one Japanese! The immigrants, from Shantung mainly—driven out by famine and civil war,—number millions; 1,000,000 entered Manchuria in 1927. The total population is said to be about 30,000,000—in 1916 the South Manchurian Railway estimated it at 20,112,000; in 1922 the Post Office estimate was 22,082,000. It would be difficult, if not impossible, for Japan to enforce such measures as her Government "deems suitable" in face of a hostile population bent upon destroying the authors of these measures.

The growth in population is not greater than the growth of the wealth and influence of the Chinese elements. Chinese banks and financial houses have invaded centres like Dairen (Dalny) hitherto Japanese preserves—sacred and inaccessible. Japanese shippers and agents have found Chinese merchants competing successfully with them all over the province. Hopes of exclusive possession based upon vital and economic predominance have gradually vanished, Japan can hardly be blamed for the failure of her gigantic plans. She had thrown her whole stength into her Manchurian policy. She claims to have material interests in the province amounting to £235,000,000. But really all she has accomplished is to arouse the enmity of the Chinese elements of the population by the rapacity and arrogance she has exhibited. Even the Japanese press now openly acknowledge the unwisdom of Japan's policy not only in Korea but still more in Manchuria.

Britain's Friendly Intimation

There remains one other very significant fact. The question of Manchuria was raised in the Foreign Affairs debate in the House of Commons on July 30. In reply to criticisms and questions Sir Austen Chamberlain, on behalf of his Majesty's Government, said: "We do not recognize Manchuria as anything but a part of China." Now, earlier in the same month, in a written reply to a question by Mr. Malone, Sir Austen had declared: "His Majesty's Government regard Manchuria as being part of China; they did not recognize Japan as having any special interests in that territory other than those conferred by treaty." Later in the debate Mr. Lloyd George said he was delighted to hear the declaration that Manchuria was an integral part of China. Japan, if she is wise, will regard that double declaration of the British Foreign Secretary, backed up by the most powerful individual stateman in the Empire, as itself a fair "warning" to go slow in Manchuria. It is a quiet and entirely friendly intimation that the policy which made Korea a part—temporarily, as Koreans believe—of the Japanese Empire will fail if any attempt is made to apply it to Manchuria. In other words, there is to be no partition of Chinese territory in Manchuria.

Many Missionaries Returning to Posts in Orient

The *President Grant* of the Dollar Line which arrived at Shanghai last week brought 38 missionaries or teachers in missions to their posts in the Far East from furloughs in the United States.

Those getting off at Kobe for service there or other points in Japan included, Miss Margaret Archibald, Miss Gertrude Crane, Mrs. J. E. Hail and daughter, Miss C. Holland, Miss Margaret McLean, Mrs. K. Norman, the Rev. C. B. Olds, the Rev. P. Frank Price, Miss Ida Shannon, Miss Margaret Sham Sutherland, the Rev. M. M. Whiting and Miss Grace Norman. Those who arrived in Shanghai for service in China were, Miss May Bagwell, the Rev. Father Oswald, the Rev. and Mrs. R. T. Capen, Mrs. S. C. Chow, Miss Helen H. Clark, Miss Meta Connell, Miss Nettie De Jong, Miss Ella Gernhardt, Mr. Robert A. Kemp, Miss Nina Stallings, Miss A. McElwreath, Mr. Edward P. Miller, Jr., Miss Natalie Moffett, Miss Georgia Marin, Miss A. H. McCabe, the Rev. R. J. McMullen, Miss Louise Robinson, Miss Julia Wasson and Miss Lillian Austin.

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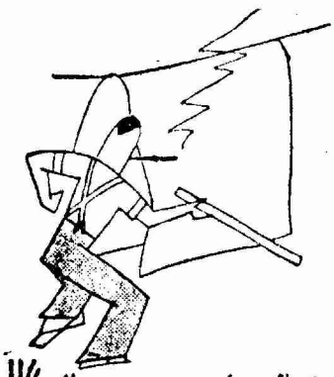
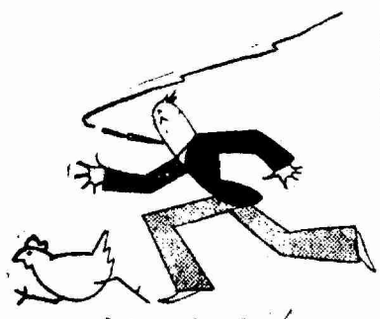
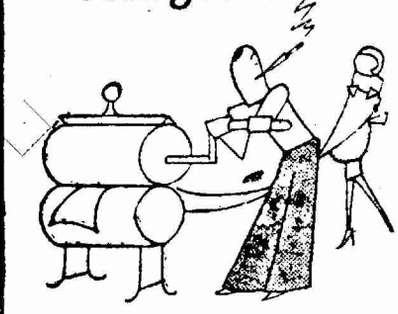


Whether you are beating carpets——

—or whitewashing the walls—

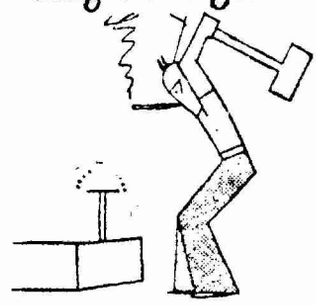


—raising fowls——

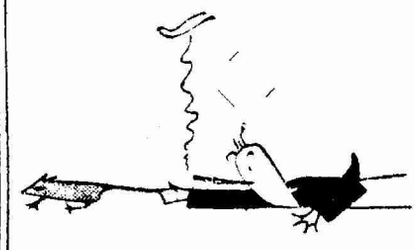


—or turning the mangle—

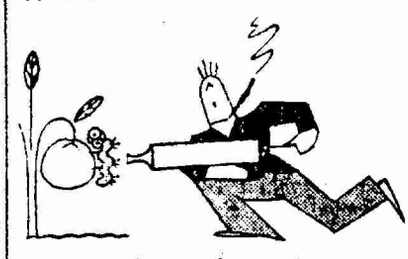
—doing a little gardening—



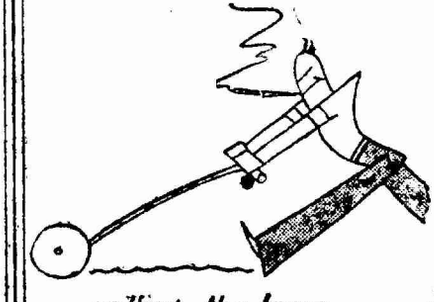
—or a little carpentering—



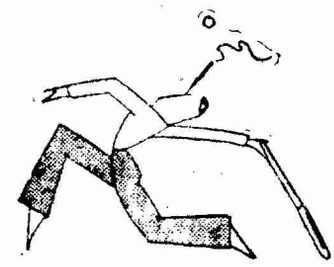
—maybe catching a rat or two——



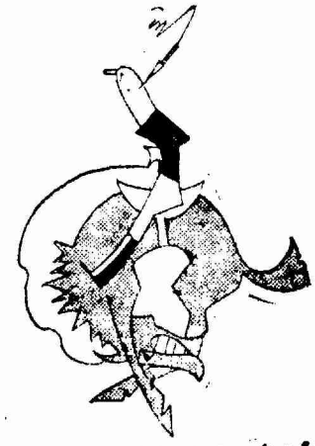
—or fruit farming——



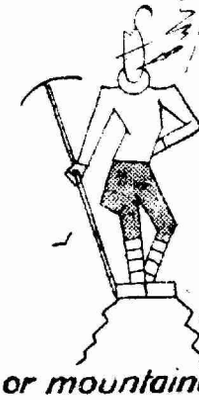
——rolling the lawn——



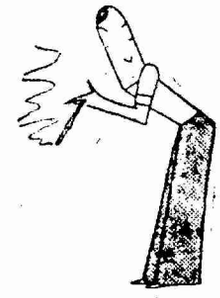
—or taking gentle exercise—



——even a spot of bronco busting——



—or mountaineering—



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Kellogg's Anti-War Pact

BY MIEN LOWRIE

THE anti-war pact which had been devised by Mr. Kellogg, Secretary of State of the United States was signed by fourteen powers at Paris on August 27. In accordance with a *Reuter's* report, the text of this pact was sent to the powers for their general adherence to this present treaty so as to outlaw warfare and promote the general welfare of mankind. One of the texts of this pact was sent by E. S. Cunningham, United States Consul General in Shanghai, to Wunsz King, Commissioner of Foreign Affairs in Shanghai, for China's participation in this treaty. The following articles were what the plenipotentiaries of the powers have agreed upon: (They are very simple as they consist only of three articles.)

"Article I. First, solemnly declare in the name of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

"Article II. The High contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

"Article III. The present treaty shall be ratified by the High Contracting Parties named in the preamble in accordance with their respective constitutional requirements, and shall take effect as between them as soon as all their several instruments of ratification shall have been deposited at Washington."

Merits of This Pact

Simple as the pact is, it will do much good to the powers of the world, especially to the small and weak nations, for they are from time to time in danger of being attacked. But, as soon as this pact comes into effect, the declaration of war as the only way to settle all the international disputes or conflicts by every nation will soon be put to an end, and thus, they will never be afraid of being invaded by other powers.

Again, Mr. Kellogg says that this treaty is not only for one man or one nation but for all men and all nations of this world, because the international disputes and controversies, from now on, will be settled by law in place of weapons, and in this way, the afflictions of war will also be never experienced by our innocent people. So, there can be no doubt that this Kellogg treaty is indeed the refreshing draught to the peoples of the whole world.

The Anti-war Pact is Moral

With regard to this pact, there are differences of opinion in the newspapers although the American newspapers are unanimously in favor of it.

Papers in Peiping criticized this pact on the following points:

(1) "After the anti-war pact has been signed, who is responsible for breaking this pact, if one or two signatory powers happen to do so, is it possible that the declaration of war is the only method to rebuke them for breaking this pact?

(2) "If a signatory power happens to be invaded by another one, can she declare war so as to defend her rights and interests; if this cannot be what is the best way for her to act?

(3) "As soon as the pact is established, the weak nations will be in danger of never recovering their rights and interests of which they have been deprived by the strong powers, and on the other hand, the strong powers are quite satisfied with their rights and special interests which they have got from the other nations."

Despite a few foibles of this pact, this treaty, to do it justice, still has a great deal of advantages to the nations of the world. Surely everything cannot be perfect. The only way to do away with the above-mentioned blemishes wholly depends upon the moral spirit of every nation; for, in case a signatory power is determined to break this treaty, it does not appear that this treaty would have any avail to prevent this nation from doing so.

Kellogg's Anti-war Pact with China

It is learned that China is going to adhere to this treaty. But, some reviewers are of opinion that China, before her adherence to this treaty, two conditions must be retained and recognized by the signatory powers of this pact. These are that (1) the territory of China which has long been the prey of other nations should be returned to China; and that (2) the unequal treaties which have been contracted between China and other nations should be abrogated.

From my point of view, it seems futile to retain these two conditions, for if China can make herself powerful and wealthy and recognized by other nations as a world power among the family of nations in due course, these two problems will easily be solved. On the other hand, if she is so unwise as to retard her old and humble walks, then, she will not only cannot solve these problems but will also lose her former prestige which she has enjoyed for so many years. From this point, that China is unnecessary to retain these two conditions is evident.

Dr. T. C. Wang's Opinion

A few days ago, a reporter of *The Shun Pao* paid a visit to Dr. T. C. Wang, Chinese Minister of Foreign Affairs, and asked him the two following questions in connection with Kellogg's Anti-war pact:

(1) If there is war breaking out between two signatory powers, what attitude will the other powers maintain when the anti-war pact has been signed?

(2) Our country is now bound by the unequal treaties and they have not been abolished up till now. In case we want to abolish them in due course, there will be no better method than war. Then if we are going to adhere to this pact, shall we be not be bound by this pact?

Below is Dr. Wang's Answer

This pact is merely based on some simple principles. Its main elements are: (1) renunciation of war as an instrument of national policy (2); to use pacific means as the only way to settle all international disputes. Although it has not mentioned in this pact what attitude the other signatory powers should maintain, should war break out between two signatory powers, yet there is no gainsaying that this pact is a great step in human progress, since the powers are fully aware of the sufferings that they have undergone during the Great War, and as to the second question, we shall promulgate a declaration showing the attitude of the signatory powers when we have adhered to this Kellogg Pact.

Tsing Hua Pupils Compel Teachers to Resign

Tsing Hua College at Peiping, which was established almost twenty years ago, with funds from the returned American Boxer indemnity, and many of whose graduates have in the intervening years distinguished themselves in American educational institutions, has recently been the scene of violent disputes between the students and the faculty. Tsing Hua College is at present under the direct control of the Nanking Government, which appointed Lo Chia-lun, chief of Chiang Kai-shek; propaganda staff, as president of the University. This appointment was made shortly after the fall of Peiping, and was strongly opposed by the alumni body of the College, who among other things pointed out that Mr. Lo did not have a university degree.

The students of the school recently, decided, according to a *United Press* dispatch from Peiping, to rule the school independent of the teachers, and compelled the latter to resign. The College has about three hundred students. There are 100 teachers and 200 servants. The present dispute arose largely over the subject of sending graduates to the United States.

The trustees decided three years ago that Tsing Hua should be made a full university, and that only a few persons from all parts of China should go to the United States, selected on the basis of a competitive examination. Tsing Hua students resented this change and they sent a delegation to Nanking to see Mr. Lo at the time of his appointment and asked him if he would forego any examinations this year, and would send a large number of them to the United States. He agreed to these terms, according to reports in the Chinese press, and the students thereupon insisted that his appointment stand. The teachers who were compelled to resign had served for many years and were in favor of maintaining the traditions of the College.

Mussolini and the Vatican Adopt Conflicting China Policies

(From the Chicago Tribune)

Rome, Aug. 13.—The Italian public learned today of the note which its government sent to the Chinese Nationalist government, July 11, refusing to accept Chinese abrogation of the treaties of 1866, according Italy concessions and customs rights. While the Italian press generally withholds comment on the Fascist note, the more outspoken *La Stampa* of Turin says that despite the pious protests by the Italian government against treaty denunciation by the Chinese, the best thing to do is to get out of the compromising situation with China with as little danger as possible.

"If the pope recognizes China, and if the United States and Russia, two utterly antagonistic governments, begin making love to China, there must be something sound and solid about the present Nanking government," argues *La Stampa*. 'The Catholic church never takes a chance on anything, but a sure thing, and if the church recognizes China, it means that the pope has assurance of the stability of the present Nationalist government."

On the other hand, *La Stampa* thinks that the United States is playing a dark game. It says America's present politics consists of putting shackles on Europe against war making with the Kellogg pact, while keeping America free with the Monroe doctrine and opening the door of Asia to American products through "making love to the Chinese."

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Boycott in South China Is Real

BY J. A. J.

ALTHOUGH the propagandists have striven to make light of the anti-Japanese boycott, the fact of the matter is that Japanese trade with and in China has suffered very severely ever since the Shantung folly of Baron Tanaka. In South China especially Japanese traders have experienced the mortification of seeing their business pass into European and American hands. Where formerly there was a large market for Japanese-manufactured piece-goods, paper, cement, etc., at the present time there is hardly anything doing in these items so far as the Japanese firms are concerned. Nor is this all. The Japanese steamers flying on the South China services are now practically running in ballast, and the reason why their owners have not withdrawn them from these services in due to the subsidies which they receive from the Japanese government. British ships are now getting the cream of the business although there are several Scandinavian ships also earning a lot for their owners. A sorry feature is the absence of Chinese vessels, except for a mere handful, between Canton and Foochow via Hongkong, Swatow and Amoy. There are three British lines operating vessels between these ports, namely Jardines, Butterfields and Douglas and their ships are arriving and departing daily with the water line hardly visible!

No Hatred for Japanese People

An interesting feature of the anti-Japanese boycott in South China is that there is hardly any hatred on the part of the Chinese for the Japanese. Moreover, the Japanese in general have no ill-feeling toward the Chinese. Both sides realize the economic nature of the boycott. Indeed, the Japanese in South China, with very few exceptions, all blame Baron Tanaka for the present unfortunate state of affairs. They declare that the militarists at home may have felt very gratified with the results of the sabre-rattling policy in Shantung in so far as Japanese military prowess is concerned but, nevertheless, Japanese trade and finances have suffered tremendously because of the Shantung folly, and they are anxiously waiting for the Imperial Coronation after which event the Tanaka Ministry, according to the general prediction, is bound to collapse.

It is pointed out and admitted on all sides that inasmuch as the Chinese are not in a position to challenge the military might of any of the Powers, the only weapon left to them is the boycott. For example, when the Municipal Police at Shanghai brought about the May 30 affair in 1925, the Chinese launched a boycott against the British. The position then was the other way about, —the Japanese merchants and shipowners in South China enjoyed a period of prosperity whereas the British had the mortification of losing considerable business while the boycott lasted.

The Uselessness of Browbeating

Many British firms in Hongkong were pressed to the wall and but for the assistance of the British banks most of them would have gone out of existence altogether. Shares collapsed all round and the sharebrokers of the colony have not yet recovered from the effects of the anti-British boycott.

The British have since realized the futility of browbeating the Chinese and Sir Cecil Clementi, the Governor of Hongkong, was amongst the first to inaugurate a policy of reconciliation with Canton. And the Chinese at Canton, accepting the British gesture at face value, promptly met the British half way and, in due course, friendly relations were resumed as though nothing had happened before.

The Japanese in South China have not been slow to perceive this and they naturally conclude that what is sauce for the goose ought to be good enough for the gander—in other words they would like to see Tokyo adopting a policy of reconciliation instead of one of vindictiveness against the Nationalists. The Chinese in South China are particularly resentful because they have special interest in the welfare of the Nationalist government. One Northern militarist after another had failed to unify the country and it has been left to the Southerners to accomplish the feat. Naturally, any outside attempt to frustrate the efforts of the Nationalist government to bring order out of chaos is bound to cause unbounded resentment in South China towards the intervener, and the Japanese merchants hereabouts are thanking Baron Tanaka heartily for their predicament!

Hongkong, September 11, 1928.

Raw Silk Exchange Formally Opened in New York

Raw silk, shimmering product of the Far East, is now being traded as a commodity in Hanover Square, off Wall street, where for years cotton, coffee, sugar and rubber have held sway.

September 11 marked the opening of the National Raw Silk Exchange, the first open mart for raw silk futures in the United States. The exchange is located in the old Grace National Bank building at 60 Water street, just around the corner from the cotton and coffee and sugar exchanges. The somewhat ornate main banking level has been transformed into a modern trading floor, with its "ring," "board," rostrum and telephone booths.

It is expected that a billion dollar annual business will be done in the silk exchange, which will give American silk manufacturers their first opportunity to enjoy the protection of "hedging" operations through dealing in raw silk futures.

Membership in the silk exchange has been limited to 250 in addition to the small list of charter members. Already exchange seats, quoted in May, a month after incorporation, at $2,500, have climbed to $7,000 in market value, with every seat taken.

Paolino Gerli, a member of E. Gerli & Co., New York silk firm is the first elected president of the exchange, and, at 37, has the distinction of being one of the youngest men ever elected head of an exchange in New York City. Mr. Gerli has been handling silk since he went to America as a boy of 14 from Milan, Italy. He spent three years in Japan, obtaining an intimate knowledge of the culture, reeling and exporting of raw silk, then returned to New York to aid in building up his firm to the position of the largest American distributor.

Mr. Gerli succeeds Charles V. V. Smillie, temporary president, who was instrumental and active in organization work. Jerome Lewine, a member of the New York stock exchange firm of H. Hentz & Co., which has memberships in 11 exchanges, is first vice-president. Mr. Lewine, an authority on the operation of commodity markets, represents commission house interests. Oscar Heineman, president of the Oscar Heineman Corporation, of Chicago, is second vice-president. J. Chester Cuppia, of E. A. Pierce & Co., a member of the New York cotton, curb and rubber exchanges, is treasurer.

Silk, the prize for which nations once warred on the trade routes to the Far East, has in recent years gone to America in such vast quantities as to make the United States although entirely dependent upon foreign sources for raw material, the largest silk manufacturer in the world. Paterson, N. J., is the center of the industry, whose products approximate $1,000,000,000 yearly in value and some 400,000,000 square yards in quantity. Imports, chiefly from Japan, were nearly 75,000,000 bales last year alone and that record total may be exceeded this year. Imports of manufactured silk range around $15,000,000 annually.

Mission Property Still Occupied in Shantung Province

According to a foreign missionary recently returned from Shantung Province the following foreign mission properties are still occupied by Chinese military and civilian officials:

Taian—Provincial Capital:

China Direct Mission—Baptist: been looted and now occupied by troops,

M. E. Mission:—School buildings all occupied by the "District Party Board" and the "Propaganda Board." Cannot get school open account no place to hold classes.

Ihsien: Presbyterian Mission completely occupied by above civilian agencies.

Shanhsien: China Mennonite Mission occupied by Fourth Kuominchun troops. Won't get out although a missionary is on the spot trying to work.

Tsaochow: China Mennonite Mission occupied in part by troops.

Tsaohsien: China Mennonite Mission oocupied in part by troops.

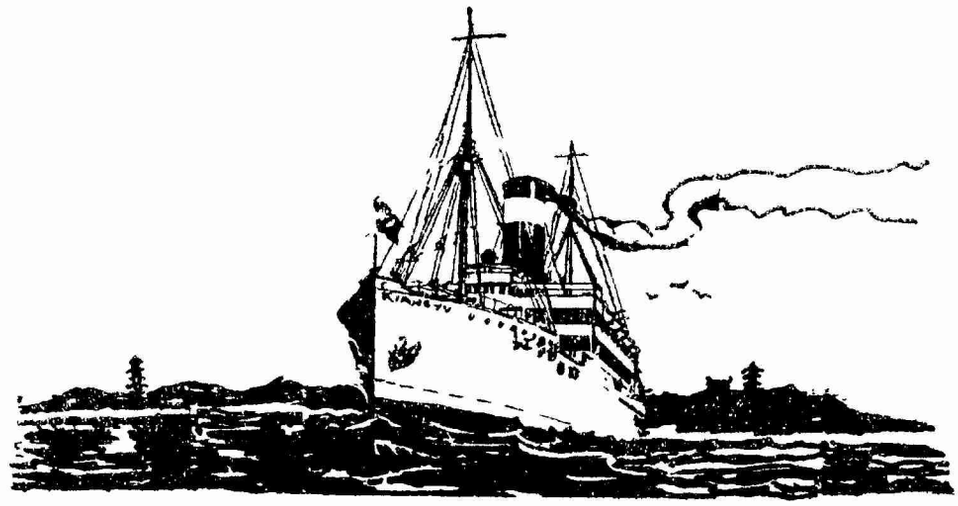
Lintsing: American Board Mission partly occupied by troops although several foreigners there trying to work.

Tsining: Southern Baptist compound thoroughly looted by the "District Party Board" which still occupies the property. There was an American eye-witness to this looting and occupation. Presbyterian Mission occupied, looted and left.

Ichowfu: Presbyterian Mission been looted and vacated.

Nankuantao: National Holiness Mission been looted and vacated.

Tungchang: National Holiness Mission been looted and vacated.



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Raw Cotton Trade in Shanghai

Shanghai is the greatest collecting center in China for raw cotton, other centers being Tientsin and Hankow. The raw cotton marketed in Shanghai comes principally from the lower Yangtze provinces, and partly from producing centers in the Yellow River area.

Among the Yangtze Valley provinces, Kiangsu is by far the greatest cotton producer. The cotton districts of Kiangsu form three separate zones, one lying north and two south of the Yangtze. The first has Nantungchow as the center. The second zone, with Shanghai as its center, comprises all the districts formerly under the jurisdiction of the Sungkiang Prefecture and also a neighboring district, Pinghu, of Chekiang province. The yearly output from this zone is estimated at 700,000-800,000 piculs, the bulk being consumed by the Shanghai cotton mills with a small balance for export, chiefly to Japan. The third zone is located just south of the river, including such districts as Taitsang, Kiangyin, Changshu and Kiating. The output of Changshu is estimated at about 150,000-160,000 piculs in a good year, and is consumed partly locally and partly in Soochow, Wusih and Changchow, the balance for Shanghai being insignificant. The yearly output of Taitsang is about 100,000 piculs and that of Kiating is less.

The cotton producing zone of Chekiang covers a number of districts formerly under the Shaohing Prefecture, with Yuyao as the center. The average yearly output of Yuyao is about 200,000 piculs, mostly of the Tapu and Siaopu varieties, which are of short staple and suitable only for yarn of 10-counts, though good wadding. A cotton experiment station was recently established at Yuyao to improve the product, but the farmers are partial to the Tapu and Siaopu varieties, because they contain a high percentage of humidity, which increases the weight.

Forward Contracts

Raw cotton on the Shanghai market is bought and sold either by forward contract or for spot delivery. In the latter case, negotiations are done through a broker, who shows samples and allows inspection to buyers. Contracts are made between the buyers and sellers. If both parties are Chinese a verbal contract is sometimes considered good enough. In the contract the quantity, price, date and place of delivery, etc., are stated. Buyer and seller get a copy each and the broker keeps the counterfoil. A contract is always in both Chinese and English, on a printed form. The payment is made by ten day bill on local banks. The cotton is always ginned. Buyings by forward contract sometimes result in breach of contract, due to violent fluctuations of prices. The fact that the contract is not accompanied by bargain money tempts the parties to evade performance.

Shanghai dealers collect from producers through commission agents or local dealers. If a Shanghai dealer appoints a local dealer to collect from the farmers, an advance of 60 or 70 per cent. must be provided. The same applies to commission agents. In former years the services of the commission agent were indispensable, because he not only collected the cargo but also undertook to ship the silver to the interior at his own risk. Shanghai dealers now usually send their own agents with banknotes, which are handy and less exposed to robbery. Shanghai cotton mills also send their own agents to collect in the interior. Foreign exporters do not open collecting offices in the interior but always commission local dealers to buy on their behalf. Local dealers collect from producers in small quantities for cash. As large shipments cannot be collected at short notice, Shanghai dealers or mills usually give forward orders accompanied by advance payment to the local dealers.

Raw (ginned) cotton reaches Shanghai packed in different ways. Shanghai local and Nantungchow cotton comes in white cotton cloth packages of 125 catties each, Taitsang cotton, in rush mattings of 60-80 catties each, Kiating and Changshu cotton in the same wrappage of 75 catties each, Ningpo cotton in packages of 60 catties each, Hankow and Tientsin cotton in rolls wrapped in gunny cloth braced with iron strips of 300-400 catties each, and Honan and Shansi cotton in packages of 500 lbs. for the larger kind and 267 lbs. for the smaller. The cotton exported abroad by Shanghai dealers is generally repacked into 500 lbs. packages except the Shensi and Honan cotton of the 500 lb. size. Shipments for home are not re-packed. The cost of repacking is Tls. 1.20-Tls. 1.30. There are five packing houses in Shanghai, equipped with a total of seven packing machines, capable of handling 5,600 packages per day. Shipments for Japan, especially the cotton for wadding, are packed in gunny bags by the old native method.

As a rule cargo is delivered at the godowns. If the buyer desires delivery at wharf or elsewhere an arrangement is made. If delivered at godown or packing house the seller hands over the warehouse receipt. The expenses for forwarding to buyer's place or wharf are borne by the buyer. If cargo remains in warehouse after delivery date the buyer is responsible for warehouse rent and insurance, both items amounting to Tls 1.20-Tls. 1.30 a month for every 100 catties. The wrappage and cordage go to the buyer, who can get a rebate of 20 tael cents for each package returned.

Payment By Ten-Day Bill

Payment is generally made in ten day bill on the day of delivery. If payment is made in cash or sight bill, the buyer is entitled to interest at the rate of about two and a half tael cents (Tls. 0.025) per diem per Tls. 100. Foreign exporters usually pay cash. If both parties are Chinese and have long business connections, longer credit is sometimes given. If the payment is not cleared in ten days, the balance may be settled at the end of the month or at the coming Festival. Formerly foreign exporters bought through their compradores, who charged a commission to the buyer. This practice is now discontinued but Chinese dealers sometimes still charge the commission by raising the price one or two per cent. higher. This is known as *mao pan* in distinction from the *shing pan* or net price, which excludes commission and is, therefore, a little lower.

In the beginning of the present century several attempts were made by foreign exporters, especially the Japanese, to establish a testing house in Shanghai to examine the water contents in the raw cotton, but they proved unsuccessful, because cotton stocks were scarce on the Shanghai market and foreign buyers were too eager in buying to pay much attention to testing. In 1911 a group of Chinese and foreign merchants, representing Chinese cotton dealers, mill owners, and foreign exporters, organized a testing house in Shanghai, to which each member pays a deposit of Tls. 1,000. According to the rules, cotton containing less than 12 per cent. of moisture is considered up to standard, and that having 12-15 per cent., though below standard, is allowed sale at buyers' discretion. The testing is done by heating a sample to a temperature of 120°C. for 75 minutes, and the percentage of humidity is determined by finding out the loss of weight through the heating.

Quality and Commercial Value of Cotton

The quality or commercial value of raw cotton depends on several factors: color, length, and tensile strength of staple, freedom from moisture and foreign matter and percentage of lint yielded by unginned cotton. Shanghai local cotton is mostly of the indigenous varieties, yielding coarse, stiff staple and containing a high percentage of moisture, usually from 13 to 15 per cent. Its redeeming quality is its pure white color, free from any other tinge. Its percentage of lint is also high, 35-36 per cent. The cotton is fit for spinning yarn of 16-or coarser counts. It is exported to Japan for spinning coarse yarn, and also used as adulterant to woollen fabrics, when mixed with Indian cotton. Shanghai local cotton is classified into three sub-classes: Nanshih cotton produced in country districts south of the town, Pehshih cotton produced in districts north of it, and "Hu Chi" or machine-ginned cotton, the former two being ginned by farmers by hand-operated gins. There are 28 cotton ginning plants in Shanghai, equipped with a total of nearly 1,000 motor-operated gins, capable of ginning 400,000 piculs a year. The raw cotton treated by the ginning plants is of the same origin as the Nanshih or Pehshih cotton, but the lint turned out by the machine ginning process contains a lower percentage of moisture, about 10-11 per cent., though the lint is not so free from impurities as the hand ginned lint.

The quality and market prices of Taitsang cotton (which includes the product of Wusih and Changshu) are a little lower than Nantungchow cotton. Its current quotations are about one tael per picul lower than for Nantungchow, and one tael per picul higher than for Shanghai local. Its color is white and lustrous and its staple averages 0.85 inches. It spins yarn of 16-counts. Shanghai dealers sometimes use it to mix with Nantungchow cotton. That produced in Changshu and immediate neighborhood is better, approaching closely to Nantungchow in quality and spinning 20-counts.

Nantungchow Variety the Best

Nantungchow cotton is the best in Kiangsu. Commercially, the name is loosely applied to cotton produced in several districts in Nantungchow neighborhood, wherefore the quality is far from being uniform. Generally speaking, the cotton produced at Changyinsha, a delta of the Yangtze, is the best, with Nantungchow second, Haimen third, and Tsungming fourth. The color of Changyinsha cotton is white with a lustrous tone and the staple is soft and nearly an inch long. Its market price is three or four taels a picul higher than Nantungchow cotton, of which the staple averages 0.95 inches. Haimen cotton is inferior to Nantungchow in both color and length of staple. Tsungming cotton is lowest grade of the four. Recently American cotton has been planted on Tsungming farms and the product is known as "foreign cotton." The latter though better than the indigenous variety in length and softness is still inferior to Nantungchow in color and tensile strength. All these four kinds are used in spinning yarn of 20-counts, though Changyinsha will spin finer.

The increase in Shanghai's import, and the decrease in export, shows the steady increase in the quantity of raw cotton consumed in Shanghai. According to an expert the average

(*Continued on page 130*)

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The Unsettled Situation in Shantung

BY J. B. P.

A foreign (non-Japanese) resident of Shantung has written *The Review* to the following general effect,

"Sitting up here in the middle of things in Shantung ....it becomes increasingly clear that the Nanking Government does not function as a government north of the Yangtsze River. In Shantung Province the troops of Marshal Feng Yu-hsiang are functioning as they please and are permitting the so-called "Party Boards," supposedly appointed by Nanking to run amok. There are no higher courts at all and few of first instance. Magistrates change so fast that we can't keep track of them and while there are some intelligent officials at Taian, the temporary provincial capital, most of whom have been appointed by Nanking, there is really little civil authority at all. I believe it is a mistake to consider the Nanking Government purely in the light of what is being done at Shanghai and in Kiangsu and Chekiang provinces. The Nationalist "movement" and the Nationalist "government" are not synonomous by a damn sight and to lean on the Nanking authority is to lean on a busted walking stick once you cross the Yangtsze from Nanking to the Pukow side of the river."

This extract from a letter written by a foreign resident of Shantung apparently presents a fairly correct picture of conditions prevailing in Shantung Provinces—conditions resulting from a combination of circumstances—due to several years of mis-government under the bandit-tupan Chang Chung-chang; the demoralizing effect of Japanese intervention; and finally the intrigue and rivalries of various Chinese factions to obtain control of the province.

70,000 Troops in Province

The population of Shantung Province ranges, according to various estimates, from 30,000,000 to 36,000,000 people. Some 3,000,000 Shantung residents are supposed to have emigrated from the province in the past three or four years, most of them having gone to Manchuria and Mongolia for a fresh start in life on account of the chaotic situation in their home province due to famines, civil-wars and intolerable governmental conditions.

There are said to be between 60,000 and 70,000 Chinese soldiers now stationed in the province, a serious situation when one considers the fact that half a dozen Chinese and foreign relief agencies are endeavoring to raise funds for famine sufferers in that area.

Divided Authority

There probably are at least a half dozen different military authorities attempting to function in Shantung province within various areas with indefinite boundaries separating their "spheres." The section of the province west of the Tientsin-Pukow Railway is controlled by Gen. Sun Liang-chen, a subordinate of Marshal Feng Yu-hsiang. A considerable portion of the territory in southern Shantung to the south of the Tsinan-Tsingtao Railway outside of the Japanese "neutral" zone is controlled by Gen. Liu Chi-liu, a Cantonese military commander who has had an interesting and dramatic career which will be referred to later on in this discussion. The section of the province in the vicinity of Taian, the temporary provincial capital is controlled by the Cantonese "Ironsides" a famous revolutionary brigade which was formerly commanded by Gen. Chang Fa-kwei, a Cantonese commander of reputed radicalist tendencies. Gen. Chang Fa-kwei is now supposed to to be in France making a study of conditions abroad, a favorite occupation for Chinese officials temporarily not in favor of the powers-that-be in control of the central government. Then in addition to the foregoing there is another Nationalist army supposedly under the direct control of Gen. Chiang Kai-shek stationed in the extreme southern part of the province in the vicinity of Ichowfu, their authority extending southward and including the new port of Haichow located on the Yellow Sea at the eastern end of the Lung-Hai Railway. The section of the province north of the Tsinan-Tsingtao Railway extending to Chefoo and including the extreme eastern part of the Shantung peninsula is controlled by another army under Gen. Liu Tsing-nin. There is also a portion of Gen. Liu Chi-liu's troops north of the Tsinan-Tsingtao Railway. These various armies consist of from 10,000 to 30,000 troops each and then in addition to the troops there are innumerable independent bodies of armed men in Shantung who are bandits one day and soldiers the next, depending on whether some commander or other is able to pay them. Then there is still another semi-military element in the province which is popularly known as the "Red Spears," "Big Sword Corps," and so on, these forces being somewhat in the category of "home-guards" or vigilantes organized by the various towns and villages for the purpose of protecting the citizens against bandits and soldiers.

Japanese Have 15,000 Troops

Aside from the Chinese troops numbering anywhere from 70,000 to double that number depending upon whether one counts the bandit-soldier groups and vigilantes, the Japanese have some 15,000 troops in the province at the present time, these troops being stationed in Tsingtao and Tsinan and along the 250-mile Chinese-Government Railway connecting the two cities. Formerly the Japanese troops stationed in the province numbered about 25,000 but recently there have been some withdrawals. The Japanese control a zone about 20 miles radiating from Tsingtao and Tsinan and a similar area along the railway. In some places such as Tsingtao and Tsinan the Japanese are maintaining a "shadow" Chinese administration in power while in other places the Japanese have completely expelled the Chinese authorities and are doing their own administering with the Japanese rising-sun flag flying from the government yamens. In Tsingtao the Chinese officials who are still functioning are "hold-overs" from the previous Northern or Chang Chung-chang regime. In Tsinan, all of the Northern officials fled when the Nationalists entered the city and since the Japanese will not permit the Nationalists to enter the Japanese "neutral" zone, the Japanese have forced the Chinese Chamber of Commerce and other organizations to form a so-called "Public Safety Commission" which attempts to administer the city under the direction of the Japanese. The Japanese Consul at Tsinan meets regularly with this commission, and through it carries out the orders of the Japanese military. The Japanese have refused to permit any Nationalist official to enter their "zone" and when any official or other Chinese within the zone displays "nationalist" tendencies, he is immediately deported, witness the action of the Japanese military in Tsingtao recently in deporting T. C. Tang, the assistant director of the Tsingtao Wharf and Harbor Administration. The Japanese, through their "neutral" zone about Tsinan have also prevented the Nationalists from resuming transportation along the north-south Tientsin-Pukow Railway and until recently even went so far as to prevent the Chinese railway engineers from making an inspection of the damages to the bridge across the Yellow River near Tsinan which was damaged by the retreating Northern troops when Tsinan was occupied by the Nationalist troops. The purpose of the Japanese military authorities in blocking the resumption of traffic on the Tientsin-Pukow Railway which connects North China with the Lower Yangtsze Valley is obvious—to delay as long as possible the unification of the country and thus provide an excuse for their intervention in Shantung!

Shantung a Serious Problem

The situation in Shantung Province thus presents a most serious problem for the Nationalist Government and as stated in the foregoing is due to three major causes: (1) The previous mis-government of the bandit-tupan Chang Chung-chang; (2) the demoralizing effect of the Japanese intervention which divides the province into two almost equal parts and prevents the Chinese from occupying the provincial capital, Tsinan, and has also prevented the Chinese from dealing with the former Northern troops in the eastern section of the province; and (3) rivalries among the various Chinese factions which have been intriguing for control of the province.

Owing to the occupation of the capital of the province, Tsinan, by the Japanese military, the Chinese have been forced to establish a temporary provincial headquarters at the city of Taian which is located about 50 miles south of Tsinan on the Tientsin-Pukow Railway. The head of the Shantung Provincial Government is Sun Liang-chen, an appointee of the Nanking Government but owing to the actual control of the area by rival military leaders it has practically been impossible for the civilian government to function.

General Liu Chi-liu

One of the interesting figures in the present Shantung situation is Gen Liu Chi-liu, a Cantonese military commander, formerly Defence Commissioner at Swatow, who, prior to the occupation of Shantung by Feng Yu-hsiang and Chiang Kai-shek, has been on the Northern side during the present revolutionary situation. Gen. Liu is a native of Kwangtung and received his military training at the Kwangtung military academy. He participated in the first revolution and finally was appointed Defence Commissioner at Swatow where he was stationed with his army for a considerable time. He became involved in the factional fighting in Kwangtung while Dr. Sun was establishing himself at Canton and finally found himself on the wrong side of the fence. He then marched his army of 30,000 Cantonese troops northward through Kiangsi and Anhwei provinces and finally ended up in Shantung province where he joined Chang Chung-chang and did good

service with that militarist in his battling with the Chihli faction. When the Nationalist troops reached Shantung last Spring Gen. Chang Liu turned against Gen. Chang Chung-chang and was largely responsible for Chang's evacuation of Shantung without a serious fight against the Nationalists. Gen. Liu has now announced his allegience to the Nationalists and is supposed to have largely been responsible for the recent "turn-over" of the Northern troops in eastern and northern Shantung to the Nationalist banner. Gen. Liu recently has been in Shanghai and Nanking conferring with Nationalist officials, his obvious ambition being to participate in the future administration of Shantung province.

Marshal Feng Yu-hsiang, whose troops control the mountainous section of Shantung west of the Tientsin-Pukow Railway is also reputed to be ambitious to add Shantung to his other territories of Honan, Shansi and Kansu, his object being to get an outlet to the sea at Tsingtao.

The Shantung situation is therefore complicated to the extreme because the rivalries of Chinese factions for the control of the area has played into the hands of the Japanese interventionists who have never given up their ambition to control the province since the first day of their original intervention in the fall of 1914 when they evicted the Germans. The Japanese claim that their continued intervention is for the purpose of protecting the lives and interests of their subjects in the Province, but foreigners and Chinese who are familiar with the activities of the Japanese, know that they have another ambition in mind which is closely connected with the acquisition of territory and political influence on the continent of Asia. In addition the Shantung intervention constitutes a bartering point with the Nationalist Government on the general treaty revision situation and the Manchurian situation.

Shantung is a difficult province to administer under the most favorable conditions, but the Japanese intervention has an obviously demoralizing effect because the Japanese militarists are constantly intriguing with one faction or the other to keep the province in turmoil, and their establishment of a "neutral" zone or "corridor" through the province has prevented the Chinese from establishing any kind of effective administration. Furthermore this Japanese zone has become the headquarters for all kinds of disorderly elements such as gun-runners and dope peddlers who have flocked into the territory since the Japanese intervention.

Lo Chia-luen Becomes President of Tsinghua College

Lo Chia-luen, the newly appointed President of Tsinghua College, was formally inducted into office September 19 at a largely attended ceremony of the faculty and students, and representatives of the Government and Party.

A *Kuo Min* news agency dispatch states that the new President of Tsing Hua is a graduate and prizeman of Peking National University, class of 1919, and was associated for many years with Dr. Hu Shih in the Literary Revolution, being editor-in-chief of the "Renascence" magazine. He collaborated with Dr. S. Reinsch, former American Minister, in the preparation of a volume on "Fundamental Principles of Government" which he translated into Chinese.

Going abroad for post-graduate work, Mr. Lo studied at Columbia and Princeton Universities, devoting special attention to history and philosophy, and came largely under the influence of John Dewey, the American philosopher. Mr. Lo was in America for three years and a half, during which time he was frequently invited to contribute papers before the American Historical Association and other learned societies.

From America, Mr. Lo proceeded to Europe, where he studied at Berlin University.

Since his return to China, Mr. Lo has been closely associated in educational work. Mrs. Lo Chia-luen (nee Miss Wei-djen Djang) is a graduate (M. A.) of the University of Michigan in the department of History and Political Science.

Chinese Ask Shanghai Municipality to Stop Greyhound Racing

A joint appeal is being sent to the Central Party Headquarters and the Government Council in Nanking by the Shanghai Party, Government and military authorities requesting that an order be issued prohibiting greyhound-racing in Shanghai and instructing the immediate withdrawal of all Chinese shareholders and directors from the various greyhound race-courses, failing which, as reported by the *Kuo Min* news agency, they are to be deprived of their civil rights and be severely dealt with. The decision for the move was reached at a meeting of representatives from the Party, Government and military authorities held September 18 at the Special Municipality Building under the chairmanship of Mayor Chang Ting-fen.

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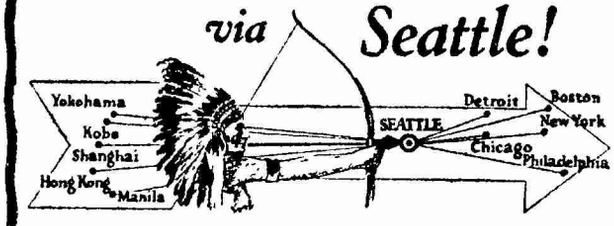

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By Kwei Chung-Shu

Japan in Manchuria
Editorial

Problem of Public Health
By T. C. Wu

Chinese Family System
By D. K. Lieu

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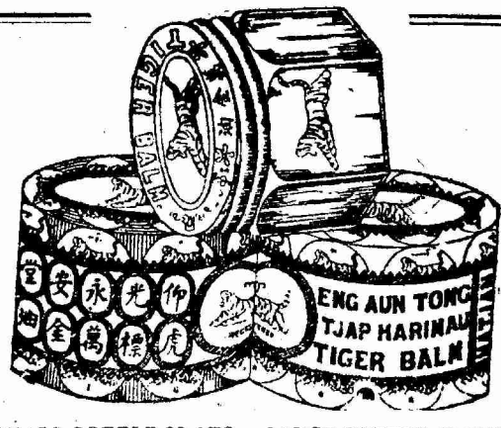

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Men and Events

Mrs. Liao Chung-kai (Ho Hsiang-yen) has returned to Shanghai from Hongkong where she attended the funeral of her mother.

Mrs. W. E. Eddy arrived in Shanghai this week on her way to Manila from Tsingtao. Mr. Eddy is connected with the U. S. Submarine Division.

W. S. Leonard, manufacturers' representative of Shanghai who has been in the United States on business for several months, returned to Shanghai this week.

The American Women's Club of Shanghai will hold a garden party at the home of Mrs. R. Laurenz, 658 Avenue Haig, Tuesday, October 2, from 4 to 7 p.m.

Mrs. Swezey, wife of the manager in Hankow for the DuPont de Nemours Co., Inc., is expected to arrived in Shanghai from the United States, September 21.

Chu Ming-ngi, member of the Central Executive Committee, has returned from Europe and is residing with his family in the French Concession, Shanghai.

China celebrates its arrival in the family of nations by launching a warship named "Peace." We should say that China is finally civilized.—*Chicago Tribune.*

Eugene Chen, Minister of Foreign Affairs at Hankow at the time of the rendition of the British Concession there, is at present in Paris engaged in journalistic work.

Mrs. J. K. Gold and two children departed from Shanghai for the United States September 13. Mr. Gold will join his family later. They intend to settle in Los Angeles.

Senhor Jose Bianchi, Portuguese Minister to China, was in Shanghai during the week to confer with Dr. C. T. Wang, Minister of Foreign Affairs, concerning treaty matters.

Frank Liu has been appointed general directer of Agricultural Experimental Stations in Hupeh Province. Mr. Liu departed from Shanghai last week to assume his new post.

C. B. Weiss, resident engineer and manager of the United States Steel Products Company in Shanghai, is planning to depart shortly on a business trip to New York.

A reception in honor of the Rev. Emery W. Luccock and Mrs. Luccock will be held at Community Church, 55 Avenue Petain, Shanghai, Saturday, September 22 from 8 to 10 p.m.

A reception and ball was held at the Majestic Hote, Shanghai, Monday, September 17, to entertain a party of visitors from Islam Temple, Knights of the Mystic Shrine, San Francisco.

Sun Fo, former Minister of Finance and Communications in the Nationalist Government, who has been on a tour of Europe and the United States for several months returned to Shanghai this week.

October 10, China's Independence Day, is to be celebrated on an elaborate scale, according to a decision arrived at at a meeting of prominent representatives of the Kuomintang in Shanghai during the week.

Frank Lockhart, American Consul-General at Hankow, accompanied by Mrs. Lockhart and their son, arrived in Shanghai this week on their way home on furlough. They will travel by way of Europe.

John Earl Baker, general secretary of the China Famine Fund Committee of New York, who has been investigating famine conditions in Shantung and elsewhere in North China, will return to Shanghai on September 26.

Sir Frederick Whyte, who was the speaker at the Balboa Day tiffin at the Union Club, Shanghai, September 17, accompanied by Lady Whyte, is making a tour of the Yangtsze valley ports, and will later proceed to Peiping.

The new Foreign Y. M. C. A. gymnasium and swimming pool are to be reserved for women three mornings a week beginning next month. Miss Margaret McLachlin has been appointed instructor in swimming and gymnasium work.

Capt. W. I. Eisler of Eisler, Reeves and Murphy, was operated on for appendicitis on Tuesday of this week at the Country Hospital, Shanghai, by Dr. C. H. Gardiner and Dr. W. K. Nance. He is reported to be rapidly recovering.

Joseph R. Grove, an American who has lived in Burmah for sixteen years, arrived in Shanghai during the week, enroute to San Francisco. Mr. Grove is connected with a Burmah oil company and has a great reputation as a big game hunter.

Wunsz King, Commissioner of Foreign Affairs, and Dr. Ho Shih-tseng, president of the Shanghai Provisional Court, gave a dinner in honor of General Hsiung Hsih-wei, the new Garrison Commander of Shanghai, at the Chinese Municipal Club, 48 Avenue Dubail, September 14.

J. V. Murray of the home office of the Texas Company, N. Y., and C. Roesholm, Far Eastern manager, have returned to Shanghai from a trip through north China and Manchuria. Mr. Murray was previously manager of the Texas Company in the Far East, but now has charge of the Far Eastern department of the home office.

Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Mukden, September 12.—Gen. Yang Yu-ting who was due to proceed to Shanhaikwan to-day for purpose of solving problem of disposal of Chihli-Shantung troops, suddenly postpones his departure for unknown reasons.

Peiping, September 13.—Gen. Pei Tsung-hsi telegraphs Nanking authorities requesting immediate reopening of nine National universities in Peiping.

Tientsin, September 12.—Laichuang having fallen into Nationalist hands. Chihli-Shantung troops are holding themselves within the line between Luanchow and Luting.

Tientsin, September 13.—Nationalists capture Kuyeh. Chihli-Shantung forces retreating in direction of Luanchow.

September 13.—Dr. C. T. Wang, interviewed at Nanking, says, "It is wrong to assume that because recently when Japanese residents in Shanghai were requested to appear at the Chinese local court and the Provisional Court, the Nationalist government has already commenced to enforce the interim regulations against Japanese. I have formally notified the Presidents of the two Chinese law courts to refrain from taking such a step which is equivalent to the application of the *ad interim* regulations."

Peiping, September 13.—Owing to the boycott against the Japanese owned paper *Shuntien Shih Pao*, and the fact that carriers of the paper are assaulted and in one instance kidnapped, Japanese Minister Yoshizawa lodges vigorous protest with Chinese local authorities.

Peiping, September 12.—German Minister leaves for Berlin via Siberia.

Mukden, September 13.—Fengtien police raid Chang Chung-chang's residence and also residences of his subordinates. Residences of Chihli-Shantung leaders are all closely watched by Poilce.

Peiping, September 13.—Chihli-Shantung troops retreat to Changli.

Tokyo, September 14—Mr. Taketomi, director of the Bureau of Commercial Affairs, addressing the Upper House indicates that Japan will ask that China requests approval of the Powers before putting the gradation customs taxes into force October 1. Also as regards Customs autonomy on January 1 next, Japanese approval will depend on China's using the money for constructive purposes.

Mukden, September 14.—Gen. Yang Yu-ting proceeds to Shanhaikwan.

Tientsin, September 14.—Luanchow captured by Nationalist forces, without resistance from Chihli-Shantung troops. 2,000 unarmed Chihli troops surrender, rest fly toward Changli.

Tokyo, September 15.—Cabinet resolves that expenses of keeping Japanese contingent in Shantung up to December be disbursed on Government's responsibility. Three division in Shantung to be rearranged and continued to be stationed there until settlement of Tsinan incident.

Tientsin, September 15.—Gen. Ho, as representative of Chang Hsueh-liang, notifies Chang Tsung-chang that unless he agrees to limit his "reorganized" troops to 30,000, for the expenses of which $600,000 per month would be allotted, then, acting in conjunction with Nationalists, Fengtien troops will carry out a decisive campaign to disarm all his troops.

Tientsin, September 15.—Pei Tsung-chi's troops crossing to west of Luan river, incidental to attack on Changli.

Nanking, September 15.—Mr. Okamoto, Japanese Consul at Nanking, states that if China's attitude towards Japan be rational and sincere, Japan will be ready to negotiate regards treaty revision.

Mukden, September 15.—Gen. Chang Chung-chang establishes his headquarters at Shihmen, he still having 40,000 troops between Shihmentsai and Anshan. Fengtien authorities predict his final overthrow within a few days.

Tientsin, September 15.—Now learned that Chili-Shantung troops damaged severely the bridge across the Luan river when retreating Sept. 13.

Mukden, September 15.—Gen. Chang Chung-chang, and his lieutenants, issue strongly worded circular telegram defying General Chang Hsueh-liang.

Tokyo, September 16.—Negotiations with Nationalist government to commence as soon as five Councils are officially appointed, but Japanese government intends first settling the Nanking incident and then proceed with the treaty question.

Tokyo, September 16.—Baron Shidehara, ex-Minister of Foreign Affairs, states that he cannot help but saying that China made a mistake when she made a declaration about

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the invalidity of the Sino-Japanese treaty. As regards the gradational tariff it is desirable that Japan take counter measures.

Nanking, September 16.—Nationalist government approves plan for a German aerial company to make weekly flights between Berlin and Nanking.

Peiping, September 16.—Ministry of Finance at Nanking working on new tariff schedule. Believed that new tariff is based on compromise propositions submitted by the Powers concerned.

Tientsin, September 16.—British send reinforcements to Chinwangtao in view of menacing situation.

Mukden, September 18.—Fengtien 8th division sustains serious damage as a result of encounter with Chihli-Shantung troops in Anshan sector.

Tientsin, September 16.—Chang Chung-chang's troops chase Fengtien troops in direction of Anshan.

Tientsin, September 17.—Fengtien faction's prospects not bright as result of Chihli-Shantung troops taking offensive, with main force concentrated between Anshan and Shimen.

Tsingtao, September 17.—Japanese flagship *Tama* leaves for Chinwangtao.

Tokyo, September 16.—Sun Fo, arriving at Yokohama on return to China from trip to Europe and America states in interview that all nations of Europe and America were in profound sympathy with Young China. As regards Japan he said, her sympathy was the most valuable of all and he hoped that outstanding issues would be solved through peaceful negotiations.

Harbin, September 17.—Gen. Chang Huan-hsiang, tupan of the Chinese Eastern Railway, conducts raid on "New World" amusement place in the Chinese city, and arrests a man named Li with three others on a charge of creating disturbances in the Three Eastern provinces.

Tientsin, September 17.—Fengtien troops beat a retreat eastward owing to successes of Chihli-Shantung troops, which disarms the extreme right wing of the Fengtien troops and capture Anshan. Counter attack of Chihli-Shantung troops inflict crushing defeat on 3d and 4th Fengtien armies in Shihmen and Anshan sectors, and as a result the 20th Fengtien army has been transferred to Changli.

Peiping, September 18.—Tangshan dispatch states that Chang Chung-chang in circular telegram announces his loyalty to Chang Tso-hsiang, tupan of Kirin province.

Mukden, September 17,—Martial law at Mukden. Gen. Chang Hsueh-liang's bodyguards show threatening attitude, owing to the punishment of some of their members.

Tientsin, September 17.—Fighting in Anshan sector still continues. Yang Yu-ting leaves hurriedly for Peitaiho to rally Fengtien troops at the front.

Peiping, September 18.—Although Chang Chung-chang's forces have been reduced to 30,000, they show stubborn resistance. Yang Yu-ting orders reinforcements for Fengtien army.

Peiping, September 18.—Local post office refuses to forward copies of Japanese-owned *Shuntien Shih Pao.*

RAW COTTON TRADE IN SHANGHAI

(Continued from page 124)

yearly output of raw cotton in all the provinces is 7,000,000-8,000,000 (ginned cotton) piculs, of which about 3,000,000 piculs are consumed in Shanghai, between 800,000 and 1,000,000 piculs are exported to foreign countries, and the balance is consumed by provincial mills and cottage looms and for making wadded garments. A Japanese authority believes that in 1924 about 2,850,000 piculs of ginned cotton were consumed in Shanghai, derived from the following sources: Shanghai local cotton, 800,000 piculs; Taitsang, 150,000; Nantungchow, 750,000; and Ningpo 150,000 plus about 1,000,000 piculs from Hankow, Honan and Tientsin. Since 1924 there have been further increases in the consumption figure, which, he believes, now exceeds the 3,000,000 picul mark, practically all used by the mills for yarn-spinning. According to the 7th report of the Chinese Mill Owner's Association, the 24 Chinese mills in Shanghai consume on the average about 1,615,582 piculs of ginned cotton every year, the four British mills, 390,000 piculs and the 30 Japanese mills, 1,902,492 piculs, or a total average of 3,900,000 piculs. Another estimate made by the Chinese Cotton Trader's Association puts the total monthly consumption figure of all the Shanghai mills at 345,000 piculs. It seems safe to conclude that about 4,000,000 piculs of ginned cotton are consumed yearly in Shanghai, of which about 3,000,000 piculs are of home production and the balance is imported.

The Japanese Influence

Japanese merchants wield considerable influence over the cotton market in Shanghai, the import and export business being almost entirely in their hands. The Japanese have two main advantages over their Chinese rivals, large capital and shipping facilities. There are about twenty Japanese merchants in Shanghai who have organized the Shanghai Japanese Cotton Trader's Association. The total import and export handled by the Japanese is estimated at between 2,000,000 and 3,000,000 piculs annually, valued in the neighborhood of $ 100,000,000.

Chinese cotton dealers in Shanghai are represented by the Cotton Trader's Association recently reorganized from the Raw Cotton Exchange, and the Cotton Yarn and Cloth Exchange dating from 1921. The latter formerly confined attention to yarn and cloth only, but now includes raw cotton. The Cotton Trader's Association is composed of nine groups, each having a more or less well-defined business sphere. The other body is the Cotton Yarn and Cloth Exchange where buying and selling are done through brokers, mostly by forward contracts. Forward buying covers periods from one to six months and spot transactions are settled in five days. Buying forward is mostly settled by cash payment, and seldom involves actual delivery. Between 70 and 80 brokers operate in the exchange, which requires a deposit of $20,000 from each member. The broker charges 6 or 7 tael cents of commission on each picul. A prosperous broker has a yearly turnover of $2,000,000-$3,000,000 and requires a large amount of capital. Buying and selling of raw cotton are also done in the Stock and Produce Exchange but the quantity involved is, as a rule, far smaller than in the Cotton Yarn and Cloth Exchange—*Summarized from the Chinese Economic Journal.*

Who's Who in China

甘介侯
Kan Chia-hou

Dr. Kan Chia-hou, a native of Pao-shan, Kiangsu, was born in Shanghai in 1897. Being a graduate of the Tsing Hua College, he was sent to the United States in 1920 for higher education. He received the B. A. degree from the University of Wisconsin in 1922. Harvard University conferred upon him the A. M. degree in 1923 and the Ph. D. degree in 1926. The special field of his study is political science, with considerable amount of time devoted to international law and diplomacy.

In the fall of 1926, upon his return to China, he was invited to teach in four of the leading universities in and near Shanghai. In April, 1927, he joined the Eugene Chen Ministry of Foreign Affairs as a secretary. Four months later, he was appointed by the Nationalist Government Chief Secretary of the Foreign Office. Upon the departure of Eugene Chen from Wu-han, he became the Chairman of a Committee of three in charge of the Ministry. In August, after the reconciliation between Nanking and Wu-han, he left Hankow for Nanking.

In November, when Tang Seng-chi had been defeated by the Nanking Western Expedition Forces, Dr. Kan was asked by the Nationalist Government to return to Hankow and was given five important posts at the same time, namely, member of the Provisional Political Council for Hupeh and Hunan, chief of the Department of Foreign Affairs of that Council, executive member of the Wu-han Finance Commission, Commissioner of Foreign Affairs for Hupeh and Superintendent of Customs at Hankow.

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official), Ta Chung (Kuominchun) and Toho (Japanese) news agencies, and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, September 13.—Yang Yu-ting arrives at Shanhaikwan and takes steps to prevent withdrawal of Chihli-Shantung troops beyond Great Wall.—Kaifeng authorities use disbanded troops in road building and land reclamation.—Fukien and Canton authorities cooperate to suppress piracy in Bias Bay.—Army in Hunan province to be reduced to three divisions.—Commander of the Navy Yang Shu-chwang interviewed on arrival in Shanghai states that arrangements have been made when he assumes post of chairman of Fukien Provincial government that all revenues collected by the officers of the province will be handed over to the Provincial treasury.—Chang Hsueh-liang supports Nationalist government's plan to open a Domestic Industrial Bank.—Japanese 18th Regiment forcibly occupies Tsingtao University as its headquarters.—Chiang Kai-shek and Madame Chiang, after visiting his home at Fengwha, returning to Shanghai. General Chiang will proceed to Nanking—Various Shanghai bodies plan reception to General Chien Ta-chun and General Hsiung, respectively departing Garrison Commander, and his successor, to be held September 18.—General Pei Tsung-hsi announces the capture of 29,000 Chihli-Shantung prisoners during past several days.—At 154th meeting of C. P. C. resolved that law governing Law Courts be referred to Law Codification Bureau.—Military Council at Nanking draws up regulations governing manufacture, possession and traffic in fire-arms and ammunition.

Thursday, September 14.—At 157th meeting of standing committee of C. E. C. plan for establishing party newspaper at Peiping is approved.—Nanking Municipality erecting several hundred model houses for accommodation of poor. General Feng Yu-hsiang appoints various generals and instructs them to completely exterminate banditry in the North-western provinces.—Tsu Ting-hsien assumes post of mayor of Tientsin.—Ministry of Communications making an examination of accounts of various railways also making inventory of locomotives and cars.—Tariff schedule, grading duties into seven classes, to be enforced from January 1 next, submitted by Tariff Revision Commission to Ministry of Finance.—Canton Municipal police raid a Communist "cell."—General Hu Chang-tu assumes office of Commander 3rd division of newly organized 4th group army.—Official communique notifies capture of Luanchow by Nationalist forces, remnant Chihli-Shantung forces retreating in direction of Changlai, near Chinwangtao.—General Yen Hsi-shan's family arrives at Peiping from Taiyuan, General Yen also enroute to Peiping from Tatung.—Nanking reports that a standing committee of the Central Political Council will shortly be created.

Friday, September 15.—Dr. C. T. Wang issues circular order to Chinese consuls abroad, advising overseas Chinese, while adhering to Three People's principles, to "mind their own business and to limit their activities within the proper sphere."—At 94th meeting of Government Council at Nanking, registration of technical experts is placed under control of Ministry of Commerce.—Official war report states that district west of Luan river practically cleared of all vestige of Chihli-Shantung troops, and at the same time Chang Hsueh-liang telegraphs to Pei Tsung-chi that Fengtien military authorities will leave the disposal of Chihli-Shantung troops to Nationalists; Fengtien troops practically all withdrawing beyond Great wall.—Yen Hsi-shan promises to strictly enforce opium suppression law in his territory.—Factory to manufacture radio apparatus, under auspices of Reconstruction Committee, to be erected near Kiangnan arsenal.

Sunday and Monday, September 16 & 17.—Nanking announces that new Ministry of Military Administration is shortly to be established.—National Gymnastic institute at Nanking decides to open a class for girls and young women interested in the ancient Chinese art of boxing.—Hsueh Tuh-pi presiding at General Relief Committee meeting states that object is to mitigate sufferings of famine-stricken populace and provide them with work.—Provincial Agricultural Conference for Kiangsu to be held October 25.—Liuchow (new provincial capital of Kwangsi) reports completion of numerous highways, a total of more than 500 public omnibuses now being operated on the roads.—Pei Tsung-chi expresses desire that remnant of Chihli-Shantung troops be disarmed by Chang Hsueh-liang's troops as he does

(Continued on page 133)

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CUSTOMS NOTIFICATION

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It is found necessary to repeat the terms of Customs Notification No. 779 of May 1913 and to inform importers that beginning from the 1st October 1928, no invoice will be accepted by the Appraising Department unless endorsed to the effect that its correctness is guaranteed and the endorsement signed by a responsible member of the firm.

"The attention of importers is called to the fact that numerous cases of forged invoices have recently come to light, such invoices having been fabricated by employees of importing firms and presented to the Customs in place of the genuine invoices, together with false applications showing quantities and valuations corresponding with the false invoices. So serious is this evil that it is necessary to take special measures to prevent it, and to require that the correctness of invoices shall be guaranteed by a responsible member of the importing firm. Unsigned invoices may be made by anyone; and invoices signed only by the shippers may be forged without detection; but the signatures of members of local firms cannot be imitated without serious risk of discovery. Importers are, therefore, requested to make on their invoices a note to the effect that the correctness is guaranteed—such note to be signed by a responsible member of the firm.

"It is further requested that for the prevention of fraud on the part of their employees, importers will compare the amounts of duty paid, as shown by their books, with the amounts entered on the Customs passes.

"It is only so long as invoices are above suspicion that Customs examination can be dispensed with; and the cooperation of all importers is asked for in their own interests as well as in that of the Customs in stamping out this species of fraud which has attained consideration proportions." F. W. Maze,
Commissioner of Customs.

CUSTOM HOUSE
Shanghai, 6th September, 1928.

Customs Notification

No. 1135.

The Custom House will be closed and the shipment and delivery of cargo suspended on Friday the 26th September 1928—being the Mid-Autumn Festival.

Commissioner of Customs.

F. W. Maze

CUSTOM HOUSE,

Shanghai, 19th September, 1928.

New Books of Interest in the Far East

American Colonel Sees Danger From the Air

Japan, the Air Menace of the Pacific, by W. Jefferson Davis, Lieut. Col. O. R. C. Boston: Christopher Publishing House. Price $2.00.

This is another contribution that has been made to the campaign being waged in certain quarters of the United States for the development of a larger air force.

The "Boost Aviation" campaign in America had its inception some three or four years ago when General William Mitchell launched his vitriolic attacks on the War and Navy Departments,—attacks which led to the early resignation from the army of that gallant but over-zealous officer. The campaign waned for a few months after the official demise of the "Flying General", but was taken up with renewed vigor when public interest in aviation was revived by the Lindberg and other long distance flights.

This latest contribution by Colonel Davis (whose military title is derived from his connection with the Army Reserve) is in reality the compilation of a series of articles written for the *Saturday Evening Post* and the *Hearst* newspapers. Consequently, there is a lack of continuity between the chapters, and a frequent repetition of facts and trite phrases, that is distressing to the reader who endeavors to grasp the book as a whole.

Colonel Davis selects Japan as the *raison d'etre* of a large air force in this instance. He touches on all the popular theories regarding Japan's future foreign policy, and introduces a few new ones for good measure. Some of his statements concerning the military and naval establishments of the Nipponese are extremely interesting—one might say startling. For instance, we learn that Japan has at present 2,500 military airplanes, and that the number will be doubled or trebled in three years; that prior to the Washington Conference (1921) Japan strongly fortified the Bonin and Luchu Islands, *and fully equipped them with aviation landing fields*; that the first indication of war between the United States and Japan will be the appearance of a fleet of Japanese bombing planes off the Pacific entrance to the Panama Canal.

Despite the many far-fetched hypotheses, many of the facts concerning Japan are correct. The reader who is interested in military and naval armaments will find in this book some fairly accurate comparisons drawn between those of the two countries. It is felt, however, that too much stress has been laid on the recent rapid development of Japanese Aviation. A few facts may prove enlightening.

While Naval Aviation in Japan dates from 1912, the first Military Aviation school was opened in 1920. In 1922 two aviation schools were opened, and in 1925 the Aviation Corps was made independent of the other branches such as infantry, cavalry, artillery, etc. Today the Military Aviation Corps consists of 22 companies, two of which are balloon companies. The Corps is manned by 3,098 officers and 2,227 enlisted men. While this represents rapid progress it must be acknowledged that Japan, starting with practically no military air force in 1920, had considerable ground to cover in order to place her on a parity with other nations in the air.

However, Colonel Davis would have his readers believe that the development of Japanese aviation is nothing short of formidable, and can have but one object—the inauguration of a war of aggression against the United States. The Japanese Exclusion Act furnishes the provocation; the initiation of hostilities include the capture of Guam, the Panama Canal and the Philippine Islands within the first forty eight hours. Shades of Hector Bywater!

A calm and connected relation of the facts given in this book would have greatly added to its interest and value. Colonel Davis prefers, however, to use bombastic phrases and alarming hypotheses in an effort to startle his literary clientele into action. America must become a flying nation—even at the risk of jeopardizing her relations with friendly nations.

The less said about the possibility of war between friendly countries, the better. The place for specialized information concerning the armaments and man-power of nations is in the governmental archives where it can receive the attention of the military and naval experts. One might suggest that the author's vital and highly confidential statistics on Japan could have been conveyed to the White House by a more direct and less conspicuous medium than in this book. E. F. C.

A Herbert Quick Story of Russia

We Have Changed All That. By Herbert Quick and Elena Stepanoff Macmahon. The Bobbs-Merrill Company, Indianapolis. 1928.

Those who like Herbert Quick's stuff may like this book. It is the joint work of this writer with a Russian lady,—an

emigre who married an American. The life of the aristocrats of Kazan, and their experiences under the Bolshevik power, seems well enough done. Quick's collaborator probably writes from personal knowledge. But the book is unfinished, and one is left in doubt as to whether the heroine is now dancing in a Shanghai cabaret, is earning an honest living in an office somewhere in Russia, or passed out peacefully after having her eighth baby.

There are, it should be mentioned, some extraordinary inaccuracies in the translation of Russian words. The word "barishnya" (literally "young lady") is given in Russian without translation, and the explanation made that it is insulting! "Tovarisch" is also given in Russian, instead of using the unmistakeable translation "Comrade," and the extraordinary statement is made that" 'Tovarisch' means 'friend.' "

As a picture of Russian life under the new regime this book is in no way comparable to the novels written by Russia's own writers, and without Herbert Quick's name attached it would probably never have found a publisher. H. H.

Conversational Woodfolk

Bambi. A Life in the Woods. By Felix Salten. Translated by Whittaker Chambers. With a foreword by John Galsworthy. Simon and Schuster, New York. 1928.

This book has been highly praised by some reviewers, and Galsworthy's foreword would indicate that it is of great merit. But there are some serious shortcomings, and the whole narrative is so absolutely unnatural that persons who know the animal stories of Thompson-Seton and Kipling, to say nothing of the lesser lights, are likely to be badly disappointed in this.

Thompson-Seton (or Seton-Thompson as he has called himself sometimes) is unquestionably the finest and truest of the portrayers of animal life. His animals however do not talk,—he is too much of a realist to put human words into their mouths and human thoughts into their heads. The only writer who has been successful in making animals talk, with an impression of realism at all, is Rudyard Kipling. His wonderful Jungle Books (as well as the Just-So Stories) remain the best attempts yet made at expressing animal thoughts in human language. We know the language is mythical, and a Mowgli of the type described is impossible,—and yet the Jungle Books are in a quite unique way convincing as well as delightful. But when Bambi the fawn, in Salten's book, is pointed out as his father (or fathers) and wants to know why papa doesn't stay at home with him and mother, it is simply absurd. This is only one of the grotesque things which Salten puts into the minds and mouths of his woodfolk. H. H.

China Socially and Politically

The Chinese Social and Political Science Review for July, 1928. Peking: Chinese Social and Political Science Association.

Among the contents of this volume are the following: Chinese Translation of Western Literature, Industrial Development in the Far East, China's Foundation for the Promotion of Education and Culture, China at the Institute of Pacific Relations, Twenty-five Years of Modern Education in China, Oriental and Occidental Elements in Chinese Modern Educational System, A New Method of Writing Chinese Characters.

FROM THE CHINESE PRESS

(*Continued from page 131*)

not wish to get into any complications with Japanese forces near the war zone.—Due to presence of Japanese troops in the Changli neighborhood, Pei Tsung-chi orders vanguards of his forces to stop their advance.—Chekiang province to organize Farmers' Bank.—Hunan and Hupeh remit $200,000 to Peiping towards expenses of Northeastern Expeditionary Forces.—Early inauguration of aerial service between Shanghai and Hankow indicated by fact that $300,000 towards it has already been raised.—Subscriptions towards Domestic Industrial Bank still pour in.—Charhar province expenses to be limited to $24,435 and Suiyuan to $21,561 per month according to decision of Taiyuan C. P. C. —Military court to be established at Peiping to try looters of Manchu tombs.—Chinese residents at Manila decide to organize stricter boycott against Japanese.—Wang Peh-chun, Minister of Communications, organizes financial committee to take charge of revenue from the different branches of communications.—Hupeh provincial authorities formulate rehabilitation measures.—Dr. C. T. Wang states that interviews with Portuguese Minister show that Portugal evinces very friendly attitude towards China.—General Chang Kai-shek who arrived recently from Ningpo expected to proceed to Nanking shortly with Hu Han-ming and other prominent members of C. E. C.—Gen. Yang Yu-ting at Shanhaikwan personally directs the disarming of Chihli-Shantung troops; Chang Hsueh-liang informs Pei Tsung-chi that he hopes to disarm remainder of Chihli-Shantung troops within three days.—Hu Yoh-yu, representing Chang Hsueh-liang, arrives in Tientsin from Mukden enroute to

Publications of the

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The China Weekly Review

—China Today: Political—a booklet, which with appendix, contains more than 500 pages and covers the Nationalist Movement with a reference to the political organization before and since 1911, civil conflicts since 1916, the Nationalist Movement, Revolt Against External Influences, attitude of the United States, etc..... By Dr. Stanley K. Hornbeck, former professor of Oriental History at Harvard and now chief of the Far Eastern Bureau of the State Department...Price 30 ¢
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—American Neutrality and International Police, by Philip C. Jessup, Assistant Professor of International Law, Columbia University ..... „ 70 ¢

—The British Commonwealth of Nations, by A. Lawrence Lowell and D. Duncan Hall ..... „ 50 ¢

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—Arbitration and the United States-Summary of Development of Pacific Settement of International Disputes ..... „ 25 ¢

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THE CHINA WEEKLY REVIEW
4 Avenue Edward VII
Shanghai.

Nanking to submit Mukden rehabilitation measures.—Li Shin-tseng, president, and Li Shu-hwa, vice-president of Chung Hwa University at Peiping, make arrangements with Peiping and Nanking authorities for early opening.

Tuesday, September 18.—Ministry of Finance instructs Nanking, Shanghai, Peiping and Tientsin municipalities to enforce tax reduction measures.—Ministry of Finance informs Pei Tsung-chi that $150,000 will shortly be remitted to Peiping for maintenance of nine Government universities there.—Admiral Yang, chairman of Fukien Provincial Government, continues reduction of land forces of the Navy.—Feng Yu-hsiang arrives at Sian (Shensi capital) to inspect army corps there, and will later proceed to Luanchow.—Measures for interprovincial border administration are discussed at Liuchow by representatives from Kwangtung, Kwangsi, Hupeh, Hunan and Yunnan.—Pei-Tsung-chi asks Central government to dispatch deputies to take over civil and finance affairs in districts east of Tientsin.—Pei Tsung-chi withdraws his forces from across the Lwan river, on the assurance of Chang Hsueh-liang that he will dispose of the remnant Chihli-Shantung troops.—Chang Hsueh-liang replies to Pei Tsung-chi that the reverses unexpectedly sustained by his troops near Anshan are not serious, and he confidently expects to disarm all the Chihli-Shantung troops within several days.—Peiping-Hankow railway authorities, hampered by lack of rolling stock, ask various military commanders to return equipment belonging to said railway.—Nanking authorities arranging for formation of the five new Councils and selecting chairmen for same.—Tsai Kung-shih's family will receive $5,000 additional out of funds contributed by Overseas Chinese.—Overseas Chinese sends silver cups to Chiang Kai-shek and Tan Yen-kai.—Admiral Yang is installed as chairman of Fukien government at Foochow.—Chiang Kai-shek leaves for Nanking, after conferences with Hu Han-min, Li Shih-tseng and Li Chi-sen.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity		Sale Price Sept 13	Approx. Yield to Maturity Sept. 13
Argentine Government..	6 %	May 1,	1960	99¼	6 02
U. S. of Brazil	6½ „	Oct. 15,	1957	96⅞	6 78
Republic of Chile.....	7 „	Nov. 1,	1942	101½	6.80
Republic of Chile.....	6 „	Jan. 1,	1961	94⅛	6 43
Republic of Finland.....	7 „	Mar. 1,	1950	101	6.91
Finnish Guaranteed Municipal Loan.....	6½ „	Oct. 1,	1954	98½	6.62
German Government....	7 „	Oct. 15,	1949	106¼	6.44
French Government.....	7 „	Dec. 1,	1949	107	6.39
Kingdom of Italy.....	7 „	Dec. 1,	1951	98	7.18
State of Minas Geraes (Brazil)	6½ „	Mar. 1,	1958	95½	6.86
Republic of Peru	7 „	Sep. 1,	1959	102¾	6.78
Republic of Peru	6 „	Dec. 1,	1960	91	6 68
City of Vienna.....	6 „	Nov. 1,	1952	89	6 95
Mortgage Bank of Chile	6½ „	Jun. 30,	1957	98	6.66
Mortgage Bank of Chile	6 „	Apr. 30,	1961	93½	6.50
German General Electric Co.	7 „	Jan. 15,	1945	103½	6.65
German General Electric Co.	6 „	May 1,	1948	94¼	6.52
Central Bank for Agriculture....	6 „	Apr. 15,	1938	92½	7.14
Saxon Public Works, Inc.	6½ „	May 1,	1951	95¼	6.92
Saxon State Mortgage Institution.....	7 „	Dec. 1,	1945	100¼	6.97
Saxon State Mortgage Institution.....	6 „	Sep. 15,	1947	93	6.65
Tokyo Electric Light Co	6 „	Jun. 15,	1953	92½	6.62
Chicago Rapid Transit Co.....	6½ „	July 1,	1944	97	6.81
Northern Ohio Power & Light Co.....	6½ „	Jan. 1,	1941	98	6.74
Cuban Dominican Sugar Co..	7½ „	Nov. 1,	1944	99	7.61
Victory Talking Machine Co.	7 „	Cum. Pfd. Stk.		109½	6.39
General Mills, Inc.....	6 „	Cum. Pfd. Stk.		100	6 00
Willys Overland Co.....	7 „	Pfd. Stock		98	7.14
Belgian National Rwy Co. Poptg. Pfd. Stk.	(Amm. Shrs.)	Mkt. to		Yield	7.40
Dodge Brothers, Inc., ..	7 „	Pfd. Stock		106	6.60
General Mills, Inc.....		Common Stock		66¾	
Cannon Mills Co.....		Common Stock		48	
Grasselli Chemical Company		Common Stock		65¼	
Mohawk Carpet Mills, Inc.		Common Stock		41	
The National City Bank of New York Stock...				850	2.35

The National City Company National City Bank Building 2 A Kiukiang Road Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, September 19, 1928

By Maitland, Fearon and Brand

Exchange:—Throughout the week under review the weakness of Bar Silver in the London market has been well maintained, and prices have declined from 26 9/16d. for spot and 26 11/16d. for forward delivery to 26 1/8d and 26 1/4d. respectively. The local official T/T rate on London has been reduced to 2/7d., a drop of 1/2d.

In spite of the fact that, owing to the more favourable rates now prevailing a considerable amount of export bills have been placed, the market continues to sag, and a still lower level of rates can reasonably be expected Silver is receiving very little support in the worlds' markets, and sellers appear to predominate. The demand for T/T is not important as merchants are inclined to holding off.

The Market closed to-day with a slightly steadier tone, and banks would sell T/T on London for September delivery at 2/7 1/8d., on New York at 63, Yens 73 1/4.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls.58,472,000 a decrease of Tls 3,702,000
Chinese and Mexican Dollars..... $ 90,510,000 a decrease of $ 210,000
Estimated value Tls. 123,639,000 as against Tls. 124 098,000 held at this time last year.

	Average rates for Aug.	Thursday. Sept 13	Friday Sept. 14th	Saturday Sept. 15th	Monday Sept. 17	Tuesday Sept. 18	Wed. Sept. 19
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/7 740	2/7 1/2	2/7 1/2	2/7 1/4	2/7 1/4	2/7	2/7
D/Dfts „	—	2/7 9/16	2/7 9/16	2/7 9/16	2/7 5/16	2/7 1/8	2/7 1/16
4 m/s „	—	2/7 3/4	2/7 3/4	2/7 1/2	2/7 1/2	2/7 1/4	2/7 1/4
T/T India	176.630	175	175	173 1/2	173 1/2	172 1/4	172 1/4
T/T France	1,641,731	1630	1630	1615	1615	1605	1605
T/T N. Y.	64.231	63 3/8	63 3/8	63 1/4	63 1/4	62 5/8	62 7/8
T/T Demand		63 7/8	63 7/8	63 3/8	63 3/8	62 3/4	62 3/4
T/T Hamburg		267	267	265	265	263	263
T/T H'kong	77.168	78 1/4	78 1/4	78 1/4	78 1/4	78 3/4	79
T/T Japan	70 332	72	72	72 1/4	72 3/4	73 5/8	73 3/4
T/T Batavia	160 038	158 1/2	158 1/2	157 1/4	157 1/4	156	155 3/4
T/T Straits	87.452	88 1/2	88 1/2	89 1/4	89 1/4	90	90
Bk's buying rates 4 m/s B/L. Cred. D/A	2/9 740	2/9 1/2	2/9 1/2	2/9 1/4	2/9 1/4	2/9	2/9
4 m/s „ D/P	—	2/9 3/4	2/9 3/4	2/9 7/8	2/9 7/8	2/9 1/4	2/9 3/8
6 m/s „ B/L Cred D/A	2/10.053	2/9 13/16	2/9 13/16	2/9 15/16	2/9 15/16	2/9 15/16	2/9 15/16
4 m/s B/F Cred D/A or D/P	1,725,961	1710	1710	1685	1685	1675	1675
4 m/s N.Y.Lc	67.481	67	67	66 1/2	66 1/2	65 7/8	65 7/8
4 m/s „ Docs	—	67 1/2	67 1/2	67	67	66 3/8	66 3/8

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Sept. 13	Sept. 14	Sept. 15	Sept. 17	Sept. 18	Sept. 19
*London Price of Bar Silver per oz (English Standard 925 touch)...Pence	26 1/2	26 1/2	26 7/16	26 5/16	26 1/8	26 1/8
**New York Price of Bar Silver per oz. (Pure)	G. $.57 3/8	G. $.57 3/4	G. $.57 1/2	G.$ 57 1/4	G $ 56 7/8	G. $ 56 7/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)..... ...	Tls. 350 80	Tls 352 10	Tls 354 30	Tls 358 10	Tls 358	Tls 358 60
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110 90	110 90	110 90	110 90	110 90	110 90
Shanghai Mexican Dollars per $100.....	72 0125	72 0875	72.15	72 125	72.05	72 05
Native Bank Rate of Interest (Call money)	2%	2%	2%	3 1/2%	3%	3%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.23
Bank of France rate of discount	3½%	New York on London	T/T 48 3/8
London open Market Dis. 3 m/s	4 5/16%	Bombay on London	T/T 1/5 31/32
„ 4 „	4 3/8%	Hongkong on London	T/T 1/11 1/4
„ 6 „	4 7/16%	Kobe on London	T/T 1/10 11/16